

Regional Development and Spatial Inclusion

African Economic Outlook 2015



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Regional Development and Spatial Inclusion

African Economic Outlook 2015



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The front cover is inspired from this report's Map 3: darker areas correspond to higher population densities. The various shapes, dots and lines symbolise the variety and richness of Africa's regions and their interconnectedness, in an abstract way.

Corrigenda to the *African Economic Outlook* may be found on line at: www.africaneconomicoutlook.org/en.

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The African Economic Outlook 2015

The annual *African Economic Outlook* (AEO) is an essential reference for monitoring the economic, social and political developments of the continent. The 2015 edition contains the following:

- an overview of Africa's performance and prospects in five chapters
- three chapters on the theme "Regional Development and Spatial Inclusion"
- one- to two-page summaries of individual country notes for each of the continent's 54 countries
- a rich statistical annex.

The complete AEO content, including the full-length country notes, can be accessed free of charge on the website: www.africaneconomicoutlook.org

This AEO 2015 Special Thematic Edition

This complementary edition to the AEO 2015 gathers the complete AEO analysis on regional development and spatial inclusion. It combines into a single document the thematic chapters and the relevant sections of 53 of the 54 country notes (only the Somalia note does not cover this theme).

Contact us:

African Development Bank Group
economics-research@afdb.org

OECD Development Centre
dev.emea@oecd.org

United Nations Development Programme
publications.queries@undp.org



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Regional development and spatial inclusion





Chapter 1

Regional development at the heart of Africa's structural transformation

In the debate on Africa's structural transformation, the demographic and spatial dimensions have been overlooked. This chapter analyses the challenges and opportunities brought about by the rapid growth of urban and rural populations, especially in sub-Saharan Africa. It argues that development strategies must focus not just on economic sectors, but also on people and places. Regional development can promote spatial inclusion and unlock the potential of African economies.



In brief

Structural transformation is Africa's overarching priority. But despite some progress over the last decade, current policies have not proved effective enough at speeding up job creation in productive sectors.

New approaches are all the more necessary to accelerate structural transformation in the face of Africa's unique demographic and spatial dynamics. In the decades to come, a fast rise in urban and rural populations, acute regional disparities and the constraints of global competition will make the challenge of transforming the continent a unique undertaking, although with wide variations between North, South and sub-Saharan Africa.

Africa's transformation path will thus have to cross uncharted territory. Past experiences of demographic, urban and economic transition may inspire action, but they cannot provide blueprints. As for current strategic options hinging on specific sectors, they may not be enough to meet the double challenge of massive job creation and productivity growth on their own. Pragmatic, context-specific approaches combining their merits will have to be crafted. Africa has no choice but to innovate.

But how? One way is to start from the unique structural features of African economies: the demographic boom demands to place job creation at the centre of development strategies; its stark regional disparities call for regional approaches to development – multi-sectoral and place-based. This report focuses on the latter: it explores ways in which African policy makers may better tap African regions' diversity and unlock their potential by building on specific local resources.

Accelerating Africa's structural transformation calls for new approaches

Recent analysis demonstrates the continent's nascent but slow progress towards structural transformation. But by focusing too narrowly on the issue of factor reallocation across economic sectors – and especially the question of industrialisation – the current debate ignores the demographic and spatial dimensions, although they are part and parcel of structural transformation.

Structural transformation is Africa's economic priority

Over the past few years, structural transformation has gradually made its way to the top of Africa's economic agenda. It is at the centre of the African Development Bank's ten-year strategy (AfDB, 2013) and a priority for the Economic Commission for Africa (UNECA, 2011). The World Economic Forum for Africa 2012 focused on the theme "Shaping Africa's Transformation", and the African Center for Economic Transformation, an Accra-based think tank, has started to publish an African Transformation Index (ACET, 2014). This strategic shift culminated in the African Union's adoption of its Agenda 2063 in January 2015, which identifies structural transformation as Africa's overarching objective.

At the heart of this new consensus is the realisation that growth alone will not be enough for the continent to fulfil its aspirations, especially employment creation. The benefits of Africa's recent growth episode have been shared unequally between countries and within them, raising the question of their sustainability and effectiveness (King and Ramlogan-Dobson, 2015; McMillan and Headey, 2014; McMillan, Rodrik and Verduzco-Gallo, 2014; Rodrik, 2014; Chuhan-Pole et al., 2013). Despite new opportunities brought about by the global process of "shifting wealth" (AfDB et al., 2011), Africa's recent growth has failed to create the amount and quality of jobs that young entrants on labour markets demand (AfDB et al., 2012).

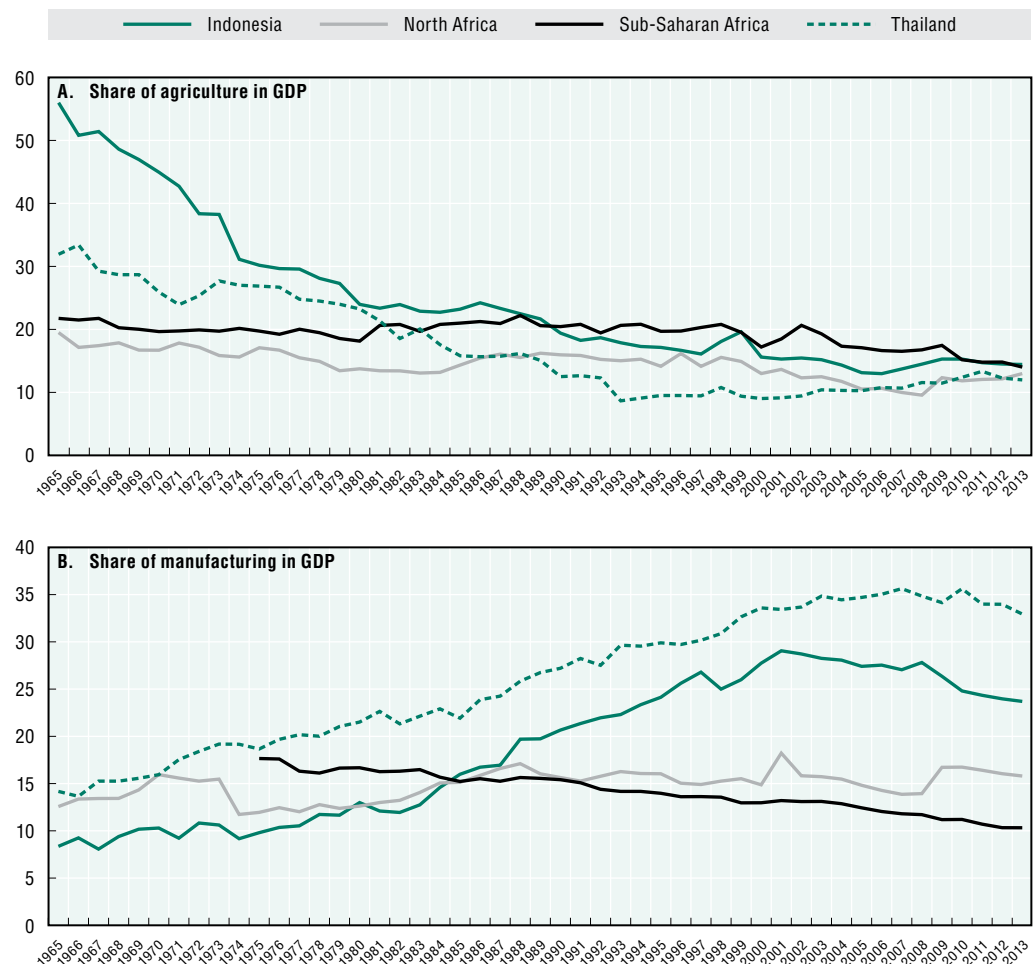


This is because structural transformation – the process by which new, more productive activities arise and resources move from traditional activities to these newer ones – has been too limited and too slow (AfDB et al., 2013). Although structural transformation has increased slightly since 2000, the change has been insufficient. Overall, between 1990 and 2005, “labour seems to have moved” from relatively high-productivity sectors (wholesale and retail trade, and manufacturing) to low-productivity sectors (informal services and agriculture); as a result, labour productivity fell by 1.3 percentage points per year and eliminated more than half of within-sector productivity gains. Some countries did experience positive structural transformation (Ghana, Ethiopia and Malawi), but not enough to fundamentally transform their economies (De Vries, Timmer and De Vries, 2013; McMillan, Rodrik and Verduzco-Gallo, 2014; UNECA/AU, 2014).

Policies have had a limited impact on Africa’s economic structures

In contrast with Asia, the structure of Africa’s **economy** has changed little over the past five decades. It remains dominated by primary activities linked to natural resources and by services, especially in sub-Saharan Africa (Devarajan and Fengler, 2013). Over that same period, Indonesia and Thailand have seen the share of agriculture in GDP decrease and that of manufacturing increase. However both have remained fairly stable in Africa over the same period, with manufacturing noticeably on the decline in sub-Saharan Africa (Figure 1.1).

Figure 1.1. Shares of manufacturing and agriculture in gross domestic products of Africa, Indonesia and Thailand, 1965-2013



Source: Authors’ calculations (GDP weighted) based on World Bank (2014).

StatLink <http://dx.doi.org/10.1787/888933206844>



Efforts to increase competitiveness and promote export diversification have yet to reverse the long-standing dependency of many African countries on commodity rents and official development assistance. Few African countries have managed to diversify their **export structure** away from unprocessed commodities (Table 1.1). In eight countries, a single commodity accounts for over three-quarters of exports; in seven countries, only two commodities account for the same. Seventeen countries have slightly diversified exports, with more than ten products accounting for three-quarters of them. Some countries still largely depend on exports of a single crop such as cotton, cloves, cashew nuts or tuna. However, the dominant commodity is usually extracted; in most cases it is oil. Nevertheless, some countries without sizeable mineral resources have managed to maintain growth by diversifying their exports. These include Ethiopia, Rwanda, Senegal and Uganda. They have opened up sectors with greater added-value, which contributes to their structural transformation (McMillan, Rodrik and Verduzco-Gallo, 2014). The *African Economic Outlook 2014* also identified important achievements in specific sectors where local companies actively participate in global value chains (AfDB/OECD/UNDP, 2014).

Table 1.1. Number of products accounting for more than 75% of exports in African countries, 2013

Products accounting for more than 75% of exports	Countries and main exports	Number of countries
1	Angola, Chad, Congo, Libya, Nigeria, Sao Tome and Principe, South Sudan (oil); Botswana (diamonds)	8
2	Equatorial Guinea (oil and gas); Eritrea (gold and copper); Gabon (oil and manganese); Guinea (aluminium and oil); Guinea-Bissau (cashew nuts and fish); Niger (cigarettes and oil); Sierra Leone (iron and diamond)	7
3 to 5	Algeria, Burkina Faso, Burundi, Central African Republic, Comoros, Democratic Republic of the Congo, Gambia, Liberia, Malawi, Mali, Mauritania, Rwanda, Seychelles, Somalia, Sudan, Zambia	16
6 to 10	Benin, Cabo Verde, Cameroon, Ethiopia, Ghana, Mozambique	6
More than 10	Côte d'Ivoire, Djibouti, Egypt, Kenya, Lesotho, Madagascar, Mauritius, Morocco, Namibia, Senegal, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zimbabwe	17

Source: AfDB Statistics Department; UN Statistics Division (2015).

Similarly, **employment structures** have changed little, according to available studies.¹ Family farming remains the main occupation in sub-Saharan Africa, though it does not prevent rural populations from participating in other activities (see Chapter 2).² In East Africa and the Sahel, two-thirds of the workforce are engaged in farming. Household enterprises outside of agriculture are the second largest source of employment in sub-Saharan Africa, estimated at 22% of all jobs (Filmer and Fox, 2014). When adding small firms to self-employment, the share of this informal sector is estimated at 28-36% (Jütting and de Laiglesia, 2009).³ In comparison, the formal (waged) sector – manufacturing and services, including administration – is estimated at an average 16% of the jobs in sub-Saharan Africa (Filmer and Fox, 2014), though the percentage is much lower in many countries. The flexibility of the informal sector, including family farms, is key to Africa's economic resilience but it also translates into low incomes and under-employment, with few hours worked per active person. The large size of the informal sector partly explains why recent economic growth has hardly reduced poverty and exclusion. The extractive, energy and industrial sectors create few jobs. The industrial sector's share of employment remained stable between 2000 and 2013, at around 9% of total jobs (UNECA/AU, 2014: 27).

Different dynamics are underway

While structural transformation has been slow across Africa, a finer analysis of ongoing processes of factor reallocation across sectors reveals that different dynamics are underway. For example, in all countries the share of agriculture is declining in both



GDP and employment, and it is decreasing faster in GDP than in employment due to productivity gaps between sectors (Timmer, 2009). But different countries move at different speeds: based on the pace at which countries diversified from agriculture between 1961 and 2010, four different profiles of structural transformation can be distinguished:⁴

- The countries that diversified the most, the **“diversifiers”**, experienced the greatest changes. Characterised by higher urbanisation and a significant exit from the agricultural sector, the 11 countries concerned include those marked by industrial development – Mauritius, Tunisia and South Africa – and those that maintained a dynamic agricultural export sector – Cameroon, Côte d’Ivoire, Egypt and Morocco.
- The **“agriculturally-based”** profile includes the 12 countries of East Africa, Madagascar and Mali, which are predominantly rural-populated. Agriculture remained the cornerstone of their economy and, overall, change was particularly slow.
- The **“intermediate”** profile corresponds to eight countries including Ghana, Senegal and Togo, where the share of agriculture was smaller.
- The fourth profile, **“agriculture +”**, presents the atypical evolution of 11 countries where the share of agriculture tended to increase. These are mainly countries that experienced crises and where the agricultural sector provided a refuge from the overall lasting downturn, as in Burundi, the Democratic Republic of the Congo, Guinea-Bissau, Liberia and Sierra Leone. This profile also includes countries with a booming agricultural sector, like Burkina Faso since its “cotton revolution”.

This diversity hints at the need to better take into account the heterogeneity of structural features of African economies. One way of doing so is to look beyond the issue of economic factor reallocation across sectors and broaden the analysis to other driving forces that shape countries’ transformation trajectories and yet are mostly absent from recent analyses: demography and places.

Africa’s demographic and spatial dynamics must be at the centre of the structural transformation debate

As seen above, the debate on Africa’s structural transformation has mainly focused on explaining how and why economic factors, notably labour, have been moving slowly out of agriculture, bypassing industrial sectors and moving into low-productivity services in a context of lingering informality. Despite the fact that, as shown by Shimeles and Nabassaga (forthcoming), spatial factors account for close to 40% of asset inequality in Africa (see Annex 6.A2), little attention has been paid to the continent’s demographic and spatial dynamics.

And yet urbanisation is part and parcel of structural change: typically, productivity growth in agriculture releases workers from farming, pushing them towards urban areas where higher productivity sectors locate as they benefit from higher economies of agglomeration and knowledge spill-overs (Jedweb, Gollin and Vollrath, 2013; Hnatkovska and Lahiri, 2013; Long, Zou and Yansui, 2009; Markusen, 1996). Progress in income, health and education which come with these changes are usually associated with a demographic boom which also fuels urbanisation until fertility eventually decreases (Leukhina and Turnovsky, 2014).

Strikingly, however, this traditional model of structural change does not seem to apply to most African countries, where urbanisation has occurred without industrialisation (Jedweb, Gollin and Vollrath, 2013; Losch, Fréguin-Gresh and White, 2012). Broadening the discussion to the interplay between economy, demography and geography is thus essential to designing effective strategies for structural transformation.



The World Bank's *World Development Report 2009: Reshaping Economic Geography* dealt with the issues of spatial transformation (Box 1.1). This report aims to connect those issues to some of Africa's major structural challenges.

Box 1.1. The World Development Report 2009

The World Bank's *World Development Report 2009: Reshaping Economic Geography* (WDR2009) deals with the need for “spatial transformation” to achieve economic development.

The WDR2009's analytical framework proposes three dimensions of development: **density** of population and economic product, **distance** between lagging and leading regions, and **division**, i.e. the extent of trade barriers due to borders, regulations, etc. These dimensions mainly correspond to three levels of policy making – local, national and international – and three social and economic forces: agglomeration, migration and specialisation.

The WDR2009's “main message is that economic growth will be unbalanced. To try to spread out economic activity is to discourage it”. The report states that, despite imbalanced growth, development can be inclusive if growth is achieved through economic integration at the local, national and international levels. The WDR2009 proposes three instruments to articulate policies for more inclusive economic development: **institutions**, **infrastructure** and **incentives** (World Bank, 2009: 22-23). The first priority must be given to institutions, which must be “spatially blind” to reduce divisions. Secondly, investing in infrastructure can reduce distances. Finally, spatially targeted interventions can connect places and thus boost population densities. Spatially-targeted measures (such as tax-breaks for manufacturing) must be taken as a last-resort. When conditions of density, distance and division are poor, strong institutions must accompany them.

Critics of the WDR2009 (such as Bryceson et al. [2009], Harvey [2009], Rodríguez-Pose [2010], Hart [2010] and Garcilazo, Martins and Tompson [2010]) have argued that its methodological choices overlooked important contributions of the economic geography literature and that it neglected topics related to space and scale. The report's focus on economic development overshadowed other dimensions of human activities, be they historical, political, financial, demographic, social, environmental or cultural. Such dimensions precisely make each country, region and place unique, opening doors to a variety of development experiences. Policy recommendations were thus deemed too generic, advocating a universal path towards a single type of development.

In this chapter, we show that the challenges facing Africa differ from those faced by other regions of the world, notably in terms of historical, demographic, environmental and global contexts. The AEO2015 argues for strategies that focus on the particularities of each city, region and country and on the multiple dimensions of development (OECD, 2011; Barca, 2009; EU, 2011; see also Chapter 3).

Africa's demographic revolution creates unprecedented opportunities and challenges

Demographic patterns are central in any process of structural transformation, but in the case of Africa, they will shape the policy agenda given their magnitude and pace.

Demographic growth will shake up labour markets

Africa's population of 1 billion in 2010 should double by 2050, but the magnitude of the increase will vary across the continent. Only South Africa and the region of North Africa will be less affected (Figure 1.2). The disparities across the continent are magnified when comparing GDP per capita and fertility rates. Africa's 54 countries appear divided into three major “macro regions”, based on common historical and structural features and displaying different challenges: the five countries along the Mediterranean coast, as well as South Africa, have per capita incomes of USD 3 000-6 000 per year and low fertility rates at fewer than three children per woman. They have broad-based economies and are substantially urbanised. Of the 47 countries in Central, East and West Africa, 37 have

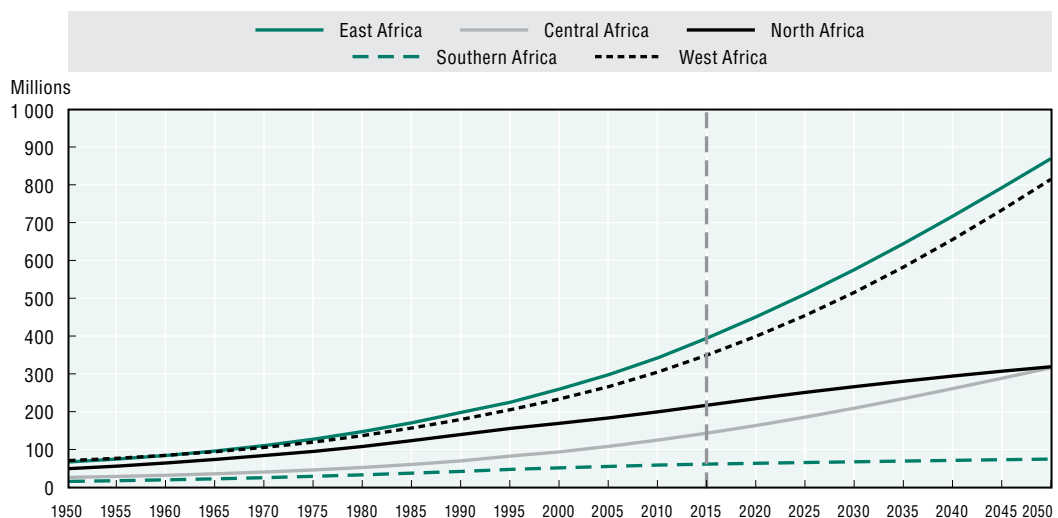


lower per capita incomes of below USD 1 500 and higher fertility rates varying between 4 and 7. They depend more on mining and agriculture and in most cases have a majority of rural dwellers. The anamorphic Maps 1 and 2 (see at the end of Part II) compare the size of African countries' GDPs and populations: they illustrate the respective challenges of those three "macro regions", stressing in particular the disparities between the demographic and economic weights of countries in Central, East and West Africa⁵ on the one hand and North and South Africa on the other.

A finer analysis reveals that various groups of countries will evolve in different ways, depending on the stage of their demographic transitions. Guengant and May (2013) thus list four such groups:


- the few countries that have been in transition for a long time, where fertility is less than three children per woman: Mauritius, South Africa and countries in North Africa
- more recent transition countries, where fertility has fallen from six to seven children per woman at the end of the 1970s to three to four children: Côte d'Ivoire, Ghana and countries in Southern Africa
- countries in slow and erratic transitions with five children per woman: the majority of African countries
- countries with six to seven children per woman, that have gone through a very slow transition or whose transition has not begun: landlocked Central and West African countries.

Figure 1.2. Population growth in Africa, 1950-2050



Note: Medium fertility scenario.⁶

Source: UNDESA (2014).

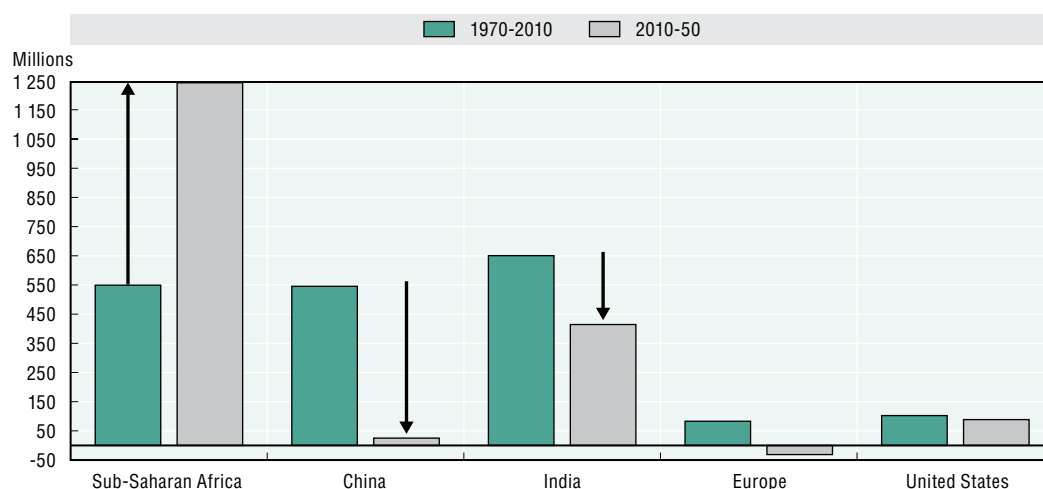
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Some experts play down the challenge of demographic growth, noting that Africa has coped with fast demographic growth in the past. However, the magnitude of future changes should not be underestimated. Past decades have seen the absolute – in some cases also the relative – numbers of poor people increase. But the population increase currently underway is unprecedented in size and pace.

Between 1970 and 2010, China, India and sub-Saharan Africa grew in similar numbers, by some 550-650 million people. Over the next 40 years, however, the increase of sub-Saharan Africa's population will be at least 200% of that between 1970 and 2010, compared with 70% in India, while in China it will level off and start to fall (Figure 1.3).



Figure 1.3. Demographic changes in sub-Saharan Africa, China, India, Europe and the United States, 1970-2010 and 2010-50

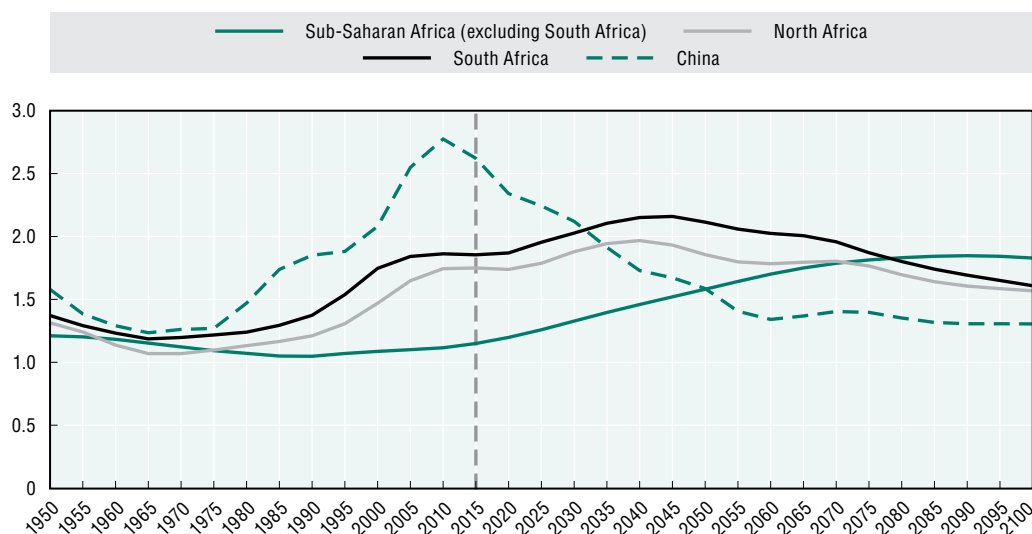


Source: UNDESA (2012).

StatLink <http://dx.doi.org/10.1787/888933206866>

Those demographic changes bring about both opportunities and challenges. On the one hand, the ongoing demographic transition opens a window of opportunity, as ratios of the working-age population to the inactive population improve significantly. The ratio between those inside and outside the workforce, the activity ratio,⁷ will increase over the next several decades and possibly create a demographic dividend for sub-Saharan Africa. The number of active people supporting inactive people will increase due to lower birth-rates; this will free up resources to improve living conditions (e.g. education, health care and housing) and boost savings and investment. And it will remove a long-lasting, heavy burden from Africa, although differences between countries will be significant. In the 1990s, there was practically one active person for each inactive one.⁸ The average activity ratio is expected to steadily rise and continue well beyond 2050. By that time it is forecast to reach 1.6 active people per inactive person in sub-Saharan Africa (far from China's current level) (Figure 1.4). Ahmed et al. (2014) estimate that Africa's demographic dividend could contribute 10-15% of gross GDP volume growth by 2030.⁹

Figure 1.4. Activity ratios in sub-Saharan Africa, North Africa, South Africa and China, 1950-2100



Note: Aggregate ratios are population weighted. The activity ratio is the ratio between the working age population (15-64) and the dependent age population (under 15 and over 65). Projections are modelled using the medium fertility variant.

Source: Authors' calculations based on data from UNDESA (2012).

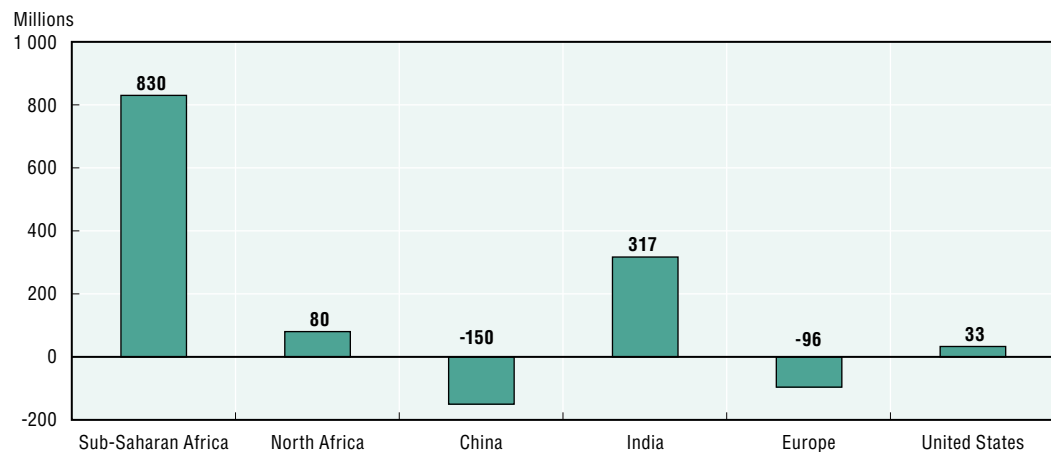
StatLink <http://dx.doi.org/10.1787/888933206878>




On the other hand, the rapid growth of Africa's workforce will increase the pressure on labour markets. The workforce is expected to increase by 910 million people between 2010 and 2050, of which 830 million in sub-Saharan Africa and 80 million in North Africa. Creating more productive jobs, a major stake in Africa's structural transformation, becomes even more pressing. The estimated numbers of youth joining labour markets in 2015 are about 19 million in sub-Saharan Africa and 4 million in North Africa. Over the next 15 years, the figures will be 370 million and 65 million respectively, or a yearly average of 24.6 million and 4.3 million new entrants. While the 2015 population figure is an estimate, the magnitude of cumulative flows is fairly certain, as those entrants have already been born.

The upcoming growth in Africa's workforce represents two-thirds of the growth in the workforce worldwide (Figure 1.5). It is ahead of Asia, which includes India's additional 317 million workers. In Europe the figure should drop by 96 million and in China by 150 million.

Figure 1.5. Projected workforce growth in sub-Saharan Africa, North Africa, China, India, Europe and the United States, 2010-50



Source: UNDESA (2012).

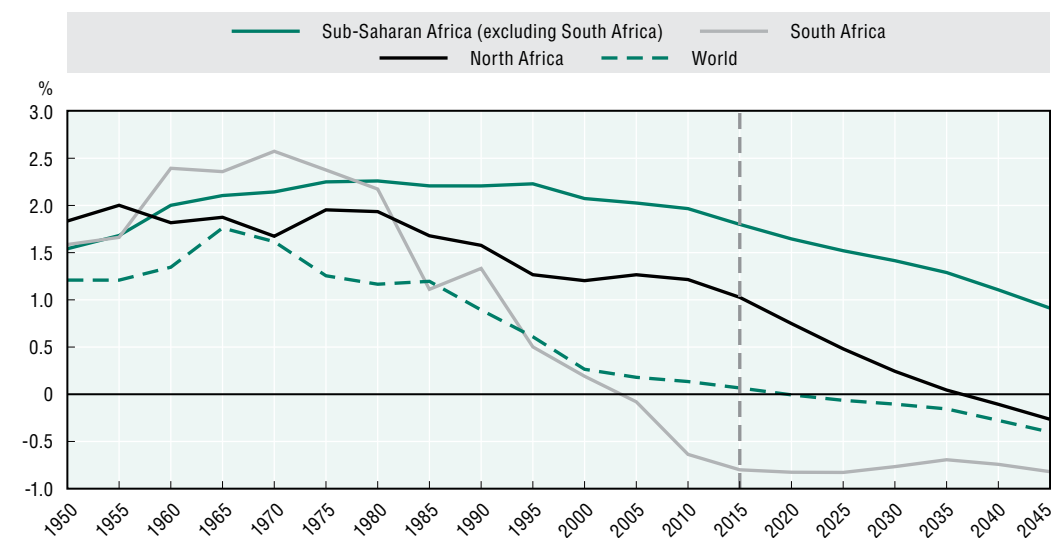
StatLink  <http://dx.doi.org/10.1787/888933206889>

Rural and urban populations will grow, affecting the environment

Africa's cities will grow fast, but so will its rural communities. Africa remains a predominantly rural continent, despite strong urbanisation rates at its northern and southern rims and along the Gulf of Guinea. The majority of Africa's population is likely to remain rural until the mid-2030s, while the majority of the world's population has lived in urban areas since 2007. Figure 1.6 shows that North and sub-Saharan Africa's rural populations are projected to grow more than the world average. South Africa's annual rural growth rate has been below zero since 2003, and the world's growth rate is projected to also be negative by 2020.¹⁰ By 2050, sub-Saharan Africa's rural population is expected to increase by two-thirds, i.e. 400 million more people (UNDESA, 2014). This forecast should be interpreted with caution, notably due to the various definitions of "rural" (see Box 1.2) and to fast changing dynamics that further blur them. Nevertheless, a general trend towards a significant increase in the "rural" population, however defined, is to be expected.



Figure 1.6. Annual growth rates of rural populations in Africa and the world, 1950-2045



Source: UNDESA (2014).

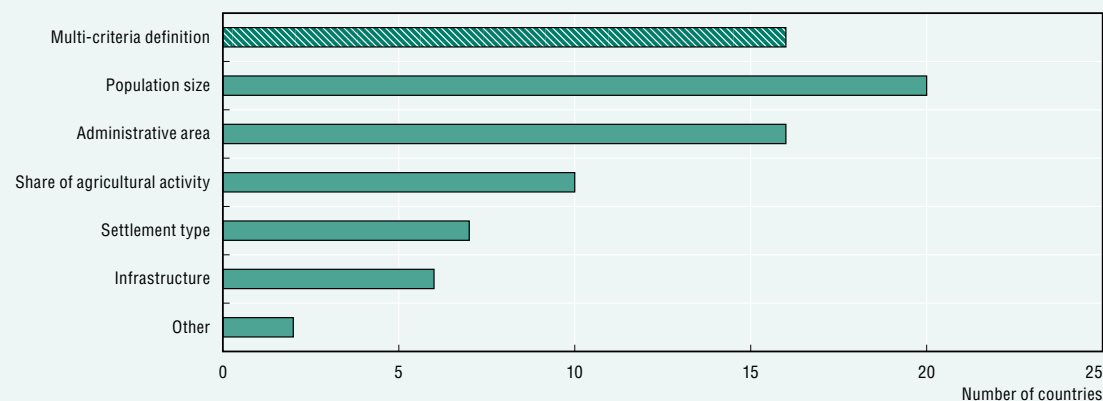
StatLink <http://dx.doi.org/10.1787/888933206895>

Box 1.2. “Urban” and “rural”: flexible definitions

There are no universal definitions of “urban” and “rural” areas. The United Nations recognises that, because of national variations, urban and rural areas cannot be distinguished on the basis of a single definition valid for all countries (UN, 1998; FAO, 2005). Rural areas are often described negatively, as in “what is not urban” (UN, 1998; UNDESA, 2004). Therefore, inconsistencies and variations in defining urban areas lead to similar contradictions when defining rural areas.

The UN *World Urbanization Prospects* reports the sources for its data (mostly population censuses) as well as definitions of “urban” and “rural” for each country when available. The most common criteria are based on widely varying quantitative population thresholds (Figure 1.7). For example, several West African countries define a “town” as having at least 2 000 inhabitants, while Nigeria sets the minimum at 20 000. Some countries have changed thresholds multiple times.¹¹ Other criteria include population density, administrative boundaries, service provision (e.g. water, electricity, schools) and the extent of farming. The large differences make it difficult to give weight to aggregate data.

Figure 1.7. Frequency of common criteria in 32 African countries’ definition of “rural”



Note: The striped bar shows that 16 of the 32 countries in the sample use more than one criterion for their rural definitions.

Source: Authors’ calculation based on UNDESA (2014).

StatLink <http://dx.doi.org/10.1787/888933206903>

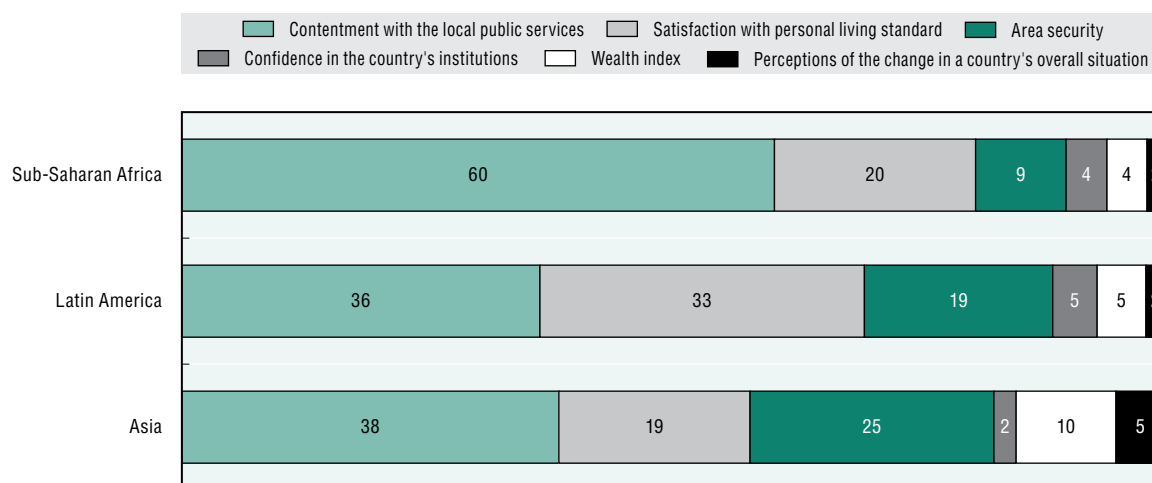


Demographic growth will affect resources and cause migration. Natural resources of already densely-populated areas will come under pressure, possibly magnified by the impacts of climate change (Map 3 at the end of Part II). As a result, people are likely to migrate to urban areas or to less populated areas, boosting the need for facilities. In some cases, people might move to neighbouring countries or further afield. For some already densely-populated countries, e.g. around the Great Lakes, even modest increases in population density could cause major physical and social changes.¹² Environmental damage, along with extreme weather events, often render places inhabitable, obliging people to abandon them (Gemenne, Brücker and Ionesco, 2013).

The deep-rooted causes of tensions potentially intensified by climate change vary greatly by region. They depend on demographics, economics, and institutional or social and political factors. Trouble erupts when local resilience is exhausted and local and central authorities have no suitable solutions (Busby et al., 2014). There is no consensus on a direct link between climate change and civil disorder, but it does heighten the risk of turbulence (Gleditsch and Nordås, 2014; O'Loughlin, Linke and Witmer, 2014).

At present, 29% of people in sub-Saharan Africa want to move away from their current areas, and dissatisfaction with local public services accounts for 60% of the variation in migration intentions compared with 20% for discontent with their personal living standard (Figure 6.8).

Figure 1.8. Relative contribution of explanatory variables to overall variation in migration intentions, 2014



Source: Table 2 from Dustmann and Okatenko (2014), based on Gallup World Poll 2012.
 StatLink <http://dx.doi.org/10.1787/888933206914>

Migration for public services rather than for economic opportunities is “economically inefficient” (World Bank, 2009: 168). First, migration imposes fixed economic and emotional costs on migrants’ households, and congestion costs on receiving regions. Second, industrialisation has created too few jobs to absorb this rural outflow in formal sectors. Most migrants thus find low-paid informal jobs and still end up in poverty. Only 16% of the rural-urban gap in multidimensional poverty is explained by the gap in the deprivation intensity, suggesting that the deprivations faced by the rural and urban poor are similar (Annex 6.A2). Third, rural-urban migrants tend to be young mobile males who are more educated than the average rural residents. In a study of five African countries, 57% of rural-urban migrants were male and were 28 years old on average, whereas only 48% of rural residents were male and were 36 years old on average; those migrants were also better educated (de Brauw, Mueller and Lee, 2014). Such migration can take away labour force from activities in the local economies where they are often needed, such as physical labour in farming.



Africa's demographic patterns thus raise a series of questions:

- How to mitigate the magnitude and speed of the population increase? In particular, how to slow the flow of new entrants into the labour market and enhance their skills? (Annex 6.A1 suggests how education policies could help capture the demographic dividend.)
- How to manage the migration flows stemming from demographic pressure, climate change and regional disparities?
- How to accelerate the pace of job creation to match labour supply?

This report focuses on the latter.

Africa needs innovative development strategies

African economies cannot merely reproduce past models of economic transition, not just because of the unique demographic and spatial patterns described above, but also because they face external restraints that Asian and OECD countries have not had to confront. They need fresh strategies that combine the merits of existing prescriptions so as to build on their own unique demographic and spatial features and to chart original paths to structural transformation.

Globalisation and climate change impose new constraints

The moment in time when transitions occur is important; for Africa that moment differs greatly from the industrial periods of Asia, Europe and Latin America.¹³ Since the 1990s, Africa has faced the challenge of structural transformation in a context of globalisation and climate change. African policy makers thus enjoy less room to implement their structural transformation than early industrialisers. **Globalisation** offers new market opportunities but entails a number of constraints. Africa can gain shares in several agricultural, agro-industrial, industrial and services markets (AfDB/OECD/UNDP, 2014). But today's global markets are stiffly competitive, in costs as well as in the quality of goods and services and in production potential. In addition, multilateral and bilateral agreements regulate trade and trade-related policies more stringently. Indeed, Africa's share in world trade decreased sharply from around 6% in 1980 to less than 2% in 1998 and has remained low (UNCTAD, 2014). Moreover, increasing trade openness may have contributed to eroding the link between agricultural production and domestic food demand since food can be imported from abroad (UNRISD, 2010). Encouraging young labour entrants to work abroad is not presently an option because of tight migration controls in OECD and other countries (Rodrik, 2011).

Africa is also vulnerable to ongoing **changes to the environment**.¹⁴ The negative effects of climate change-related hazards on agricultural resources heavily affect the poorest who largely depend on them not only for food but also for jobs (Muller et al., 2011; Thornton et al., 2011). Pressure on already limited water supply is expected to increase sharply due to changes in water cycles caused by erratic rainfall and to affect negatively the production of annual crops such as cereals and cotton, or perennial crops like coffee, cocoa and palm oil. Livestock may also suffer from shrinking water supply, as grazing land is divided and damaged, and new diseases arise (Niang et al., 2014).¹⁵ As the demographic pressure on land grows, gathering wood for fuel will cause deforestation, as will developing agriculture and felling for timber (Bodart et al., 2013; Vittek et al., 2014; Malhi et al., 2013).¹⁶ The recent growth episode has compounded the deterioration of environmental resources, and ecological boundaries are close to being exceeded (AfDB/WWF, 2012; Raworth, 2012). Because environmental issues are localised and require local solutions tapping local assets, this report highlights that the related challenges must be taken into account in African development strategies but does not propose generic solutions. Those will depend on local contexts and must be defined on a case-by-case basis (see Chapter 3).



Available policy options will not be enough to foster Africa's structural transformation

In today's debate on Africa's structural transformation, experts put forward several policy options to speed up the process, but none of them alone may be sufficient to address the demographic and environmental constraints mentioned above. Each option tends to prioritise one sector, underrating the necessity of a multi-sectoral approach combining different options. They tend to overlook the importance of regional dynamics and sometimes underestimate the constraints imposed by the global context (Losch, 2015). We consider here the five major policy options with their benefits and limitations as found in the literature.

- Some experts propose that **industrialisation** be the mainstay of the African structural transformation. The continent should emulate past policies of developed and emerging economies, but in a more pragmatic way, and integrate into world trade (UNECA/AU, 2014). The changing international economic environment – increasing manufacturing costs in Asia, the shift from the manufacturing of end products to task-based production (UNIDO, 2008), and the development of outsourcing and intra-firm trade (Dinh et al. 2012) – opens up opportunities for light manufacturing: it requires less capital and fewer technical and managerial skills and remains viable in fragile economic and institutional environments (AfDB/OECD/UNDP, 2014). However, many hurdles have to be overcome, all related to appropriate public policies, institutions, governance systems and sustainability (Page, 2012). As technical change has gradually rendered manufacturing more capital and skill intensive, it has triggered premature de-industrialisation in many developing countries over the past decades (Rodrik, 2014: 11). On its own, industrialisation may not suffice to create the almost 30 million additional jobs Africa will need every year.
- Others see **services** as the new pillar of structural transformation because jobs in services continue to expand (Ghani and O'Connell, 2014). Services related to outsourcing, new information and communication technologies, and cloud computing present multiple possibilities. Whether opportunities are large enough to enable countries to bypass industrialisation is debatable, particularly as services are becoming increasingly tradable and the challenges associated with winning effective market shares will be high (UNRISD, 2010). Furthermore, productive services require high-skilled workers, whereas the African workforce is mostly low skilled (Rodrik, 2014).
- A third option to foster structural transformation would be to produce more **natural resources**. Investing natural resource revenues wisely and simultaneously developing industrial policies could diversify economies (AfDB, 2013).¹⁷ Improving transparency, tax collection, public spending, the management of public companies, and the social and environmental impacts of mining would sustain growth (APP, 2013). However, given governance deficits in the extractive sector (RWI, 2013), the long-term risks associated with this option are high, due to environmental limits and the instability of international prices.
- **Green growth** strategies, calling for dramatic changes in production and consumption modes, have been advocated as a fourth alternative (UNESCO/UNECA/UNEP, 2011). Africa could initiate the world's energy transition and leapfrog to a more sustainable development path. But such a transition would take too long. The current resource extraction model will continue to mobilise significant investments in the short to medium term, thereby hampering the green transition (Swilling, 2013).
- Finally, tenants of an **agriculturally-based** growth stress that, given the current share of agriculture in employment, this sector should be prioritised (Headey, Bezemer and Hazell, 2010). As seen above, the number of workers in rural areas will continue to grow. The economic development literature highlights the important role of agriculture in structural transformation and its direct effect on poverty reduction (Johnston and Mellor, 1961; Johnston and Kilby, 1975). Improved agricultural performance played a major role in the economic successes of East and



Southeast Asia (World Bank, 2007). More recent works on Africa confirm the sector's unique role (Diao et al., 2007; Dorosh and Thurlow, 2012). Still debated, however, is the type of development model for agriculture that could absorb a significant share of the workforce while dramatically improving productivity, such as small- or large-scale farming (Losch, Fréguin-Gresh and White, 2012; see Box 1.3).

In the end, there is no single solution to the challenges of African structural transformation. Today's international environment makes it more difficult to achieve high growth rates like East Asia did with export-led strategies. While there is little doubt that job creation must be the central priority, the options are not necessarily exclusive. Drivers of change differ according to the context: "Perhaps it will be agriculture-led growth. Perhaps it will be services. But it will look quite different than what we have seen before" (Rodrik, 2014: 15).

Regional development can promote spatial inclusion and unlock the potential of African economies

Given the unique set of challenges confronting the continent, "business-as-usual" is not an option. Changing policy models and changing scales are imperative (Paulais, 2012: 197). Effective transformation strategies need to draw from Africa's own experiences and those of others, but they must also focus on the uniqueness of Africa's transformation challenge: to manage its population growth and its spatial development. Therefore, structural transformation in Africa may require policies that:

- focus on local resources and their adequate development and management
- better articulate the changing relationships between the countryside and the cities
- strengthen networks of intermediary cities (Annex 6.A3)
- diversify the rural economies through decent off-farm activities (Box 1.3)
- better define the changing role of agriculture in African societies
- accompany the transformation towards more sustainable metropolitan areas
- provide services and opportunities, particularly in the regions whose populations are doubling
- make the informal sector more productive (Box 1.3)
- improve regional integration, notably by developing African value chains and tapping regional markets.

Each sectoral approach holds a part of the answer to those imperatives. African policy makers need innovative, effective ways of articulating those policies. One such way, discussed in the next chapters, is development strategies that focus on local assets, such as firms, the labour force and natural resources to unlock the potential of African regions (Garofoli, 2009: 225). In this respect, the continent's unique assets have an immense potential:

- **a fast growing domestic market:** the continent's current population of 1.1 billion inhabitants will grow by 1.2 billion by 2050.
- **an emerging middle class of urban consumers:** Africa's combined consumer spending was USD 680 billion in 2008 and is projected at USD 2.2 trillion in 2030 (AfDB, 2011: 14).¹⁸
- **a diversity of ecosystems:** Africa hosts a quarter of the world's approximately 4 700 mammal species, a fifth of the world's 10 000 bird species and 40 000-60 000 plant species (UNEP, 2006).
- **natural resources:** Africa has an estimated 10% of the global reserves of oil, 40% of gold and 80-90% of chromium/platinum group metals (AfDB et al., 2013: 135).¹⁹
- **large scale and vast land areas:** the continent represents around 24%, or 600 million hectares, of the world's arable land.²⁰

Tapping those assets requires balancing trade-offs at the local level: for instance choosing between extracting natural resources and developing eco-friendly activities.



Box 1.3. Policies must support decent job creation in labour absorptive sectors

Structural transformation critically hinges on developing new, productive economic activities (AfDB et al., 2013). Last year's AEO demonstrated the opportunities offered by greater participation in global value chains and upgrading in the agricultural, manufacturing and services sectors but showed the limited impact on job creation in formal companies so far (AfDB/OECD/UNDP, 2014). By identifying and activating unexploited local resources, place-based development strategies can widen opportunities for integrating into global value chains and enlarging modern businesses. In addition, demographic growth will increase the number of jobs in non-tradable sectors such as construction, public services (e.g. health, education, security), retail and infrastructure (see Chapter 2). However, unless growth patterns are significantly altered, the change in employment structures will likely be slow over the next decade (Filmer and Fox, 2014). Therefore, employment strategies should focus both on formal enterprises and on improving labour absorption by small-scale businesses and farming (Chuhan-Pole et al., 2014; AfDB et al., 2012).

- **Productivity and employment in agriculture are key for structural transformation.** Few countries met the 2003 Maputo Declaration target to commit 10% of their budgets to agricultural development, and agricultural growth in Africa has been limited (Benin and Yu, 2012). Weak incomes in the sector translated into low rural demand, slow rural change and thus slow structural transformation. A two-fold rationale must therefore guide public investment: labour absorption and increased productivity to sustain the livelihoods of newcomers. Whether to promote labour-intensive small-scale farming or more productive large-scale farming is debated (see for instance Collier and Dercon, 2014; and Losch, Fréguin-Gresh and White, 2012). Trade-offs can only be settled on a case-by-case basis.
- **Jobs in the non-farm sector will be crucial to increase productivity in rural areas.** Haggblade, Hazell and Reardon (2007) point out that only 9-19% of the rural labour force in Africa are employed in the rural non-farm sector, yet they are responsible for 37% of the income of rural households. Non-farm activities diversify the household income to absorb the impact of agricultural shocks and utilise spare agricultural labour during the low season. Additional income also relieves credit constraints, allowing households to invest in human and physical capital. However the rural non-farm sector is still limited in Africa. On-farm income represents a much higher share of total income for rural households in Africa than in other regions, at 63% compared to 33% in non-African countries; while the shares of non-farm wage income average 8% in Africa and 21% elsewhere (Davis, Di Giuseppe and Zezza, 2014, based on a sample of nine countries accounting for 51% of the sub-Saharan population and 13 non-African countries). African households may resort to low-productivity non-farm jobs due to the agricultural sector's poor performance and to the absence of financial markets (Reardon et al., 2007). Promoting the rural non-farm sector thus does not necessarily translate into more productive employment. Rural non-farm activities will develop alongside other economic sectors. Higher agricultural productivity leads to more non-farm activities, and non-farm income increases demand for agricultural goods.
- **Jobs in the urban informal sector can be more productive.** Recent evidence from a number of countries in Africa, Asia and Latin America shows that returns to capital in the urban informal sector are high (Banerjee and Duflo, 2004; McKenzie and Woodruff, 2006; De Mel, McKensie and Woodruff, 2008; Kremer, Lee and Robinson, 2010; Fafchamps et al., 2011; Grimm, Krüger and Lay, 2011). Yet those high returns – up to 60-70% annually – remain largely unexploited as a result of a number of economic, institutional and social constraints (Grimm, Krüger and Lay 2011; Grimm, van der Hoeven and Lay, 2011). Removing them would enable entrepreneurs to create and enlarge their businesses, achieve their full productive potential, and create better quality jobs for themselves and others. Public interventions need to improve the income generating capacity of the informal sector while supporting its ability to absorb additional workers (AfDB et al., 2012).



This thematic part of the *African Economic Outlook 2015* aims to assess the usefulness of regional development policies in contributing to the structural transformation of African countries. Policies of regional development have benefited from centuries of experience and decades of analysis. Many debates have arisen as to which policies are the most effective, such as: should regional policies aim to actively mobilise the potential of all regions? Or should they focus on creating the conditions for the most competitive to thrive? Those debates, however, have mainly focused on European experiences, far from African realities (Box 1.1). This report argues that development strategies can unlock untapped potential by better valuing the diversity of African regions and by better connecting them.

Box 1.4 discusses the various terms used in the economic literature and beyond to discuss where human activities take place and argues for the use of the term region throughout Part II of this report.

Box 1.4. Definitions of region, place, territory, space and regional development

There are no standard definitions of region, place, territory, space and regional development. Moreover, these terms are sometimes used interchangeably. The three languages in which this report is published – English, French and Portuguese – also lack a common usage of these terms.

The concept of **region** gained notoriety with the work of Vidal de la Blache, a French geographer, for whom a region results from a historically constructed relationship between human beings and nature in a specific spatial unit (De La Blache, 1883). Today “region” is often understood as a unit of analysis or a tool for policy making or public administration (Ribeiro, 2004; Dunford, 2009). People define a region's limits depending on their own specific practices and activity (Fremont, 1976). “Functional regions” refer to the spatial unit whose boundaries are defined by the organisation of social and economic relations (OECD, 2009, 2012; EU, 2011; Cistulli et al., 2014).

“Region” traditionally means a particular spatial unit either within a country or crossing the border between two countries. However, recently it has also come to refer to spatial units that encompass many countries, on a scale between national and continental as in the case of Africa's Regional Economic Communities. **In this report, the term region refers to spatial units at the supranational, subnational and cross-border levels.**

“Place” usually refers to the space that people experience and involves meaning, practice and materiality. Barca (2009: 5) states that place, in the context of a development policy, refers to an area with physical continuity. In other words, in a given place similar conditions influence development, such as nature, culture and work. The word is now broadly used for development policies in the terms “place-based approaches” and “place-based policies”. The term place has almost always been used in geography, but geographers began to conceptualise it in the 1970s (Cresswell, 2009).

The concept of **territory** became popular with the work of Jean Gottman, a French geographer, who defined it as the jurisdiction of a state (Gottman, 1952); However, Santos (2008: 138) claims that globalisation and the increasing porosity of national borders have modified its meaning. Territory can relate to identity, usage and belonging. It is also a space where a coalition of actors share goals (Giraut, 2008). This is the approach adopted in economic geography (Benko and Lipietz, 1992, 2000; Storper and Walker, 1989; Storper, 1997). Hence, networks of stakeholders mobilise a territory's resources and dedicate them to a project, frequently to produce goods or services but also to promote broader economic and social development (Campagne and Pecqueur, 2014). Often local, these networks benefit from strong social capital and sometimes rely on complementary skills, as illustrated by Italian industrial districts (Becattini et al., 2003). Cataia (2011) summarises the debate by saying that territory is the political dimension of geographic space.

Geographical space or simply **space** refers at once to an area and its content or can be understood as a totality. The area refers to size, distance and materiality, such as buildings and railways. The



Box 1.4. Definitions of region, place, territory, space and regional development (cont.)

content refers to the meaning that a society attributes to it. As a totality, space is a collection of places, their relationship, and their material, economic and social characteristics (Santos, 1999; Lévy and Lussault, 2009).

French and Portuguese speakers traditionally distinguish between the concepts of **space** and **territory** more so than English speakers, who use “space” more often than “territory”. “Spatial planning”, for example, translates into French as *aménagement du territoire* and into Portuguese as *planeamento territorial*. One exception is Harvey (2001), who distinguishes space from territory by pointing out that space is a basic category of human life, but that space becomes territory when leaders organise it to optimise economic production. Moreover, Storper (1997) argues that these concepts can help provide a response to globalisation through regional development. For instance, the European Union’s “Territorial Agenda 2020” refers to the development of its “diverse regions” (EU, 2011).

Despite different definitions, **regional development** always relates to improving welfare and economic productivity in a certain region of a country (Baerenholdt, 2009: 181). The idea of regional development emerged in the framework of regional geography. Different schools of thought have since developed. François Perroux established the idea of poles of development (Perroux, 1991). More contemporary approaches base regional development on entrepreneurship, innovation and knowledge (Howells, 2009; Nijkamp and Abreu, 2009). In line with the most common usage, the English version of this report refers to regional development where the French and Portuguese versions use territorial development.

Since Africa’s structural transformation is not only an economic but also a social transformation, issues of economic efficiency must be balanced with concerns for equity. Strategies for spatial inclusion must therefore complement those for regional development. Spatial inclusion is a pillar of inclusive growth, together with economic, social and political inclusion (AfDB, 2013). Growth is by nature spatially unbalanced, but it must be inclusive to be sustainable. Fostering growth requires competitive regions, and sustainable growth requires economic integration. Moreover, balancing effectiveness and equity is particularly important in the context of the demographic revolution and the persistence of spatial poverty traps (Annex 6.A2). Regional development will increase the competitiveness of regions; spatial inclusion will improve their connectivity. The approach should thus be multidimensional and participatory (OECD, 2009, 2012).

Regional development policies have been implemented in African countries at various scales (Table 1.2). The next chapters review their policy experiences in light of the structural transformation imperative, before proposing actions to improve their impact.

Table 1.2. Simplified definitions of regional scales and policies

SCALE	DEFINITION	POLICIES
Supranational region	Territory of an international organisation (e.g. Economic Community of West African States).	Economic and social policies for integration and economic corridors.
National territory	Jurisdiction of a country	Policies for transfers, policy co-ordination, urbanisation, credit, education, training and health.
Sub-national region	Spatial unit within a country created to manage specific needs (e.g. Volta, Ghana).	Policies for services and investments in research and development. Policies for poles of growth, for transport and communication infrastructure linking rural and urban areas, for specific resources activation, and for special economic zones.
Cross-border region	Spatial unit created to manage issues that cross national borders (e.g. SKBo).	Policies related to cross-border issues.
City or neighbourhood	A place at the scale that people actually experience.	Policies that promote the local economy, urban planning, and citizens’ and local leaders’ participation in and management of local issues.



Notes

1. Data on jobs are mostly inaccurate due to the limited development of formal employment and wage systems.
2. The actual share of agriculture in economies is a debated issue. The Food and Agriculture Organization's broad definition of the economically active population in agriculture includes anyone employed or unemployed and seeking work in farming, hunting, fishing and forestry. It does not take account of other activities or under-employment and therefore tends to overestimate the share of agriculture.
3. No standard definition of the "informal sector" exists, and the notion is disputed. It is usually defined relative to formal companies and self-employment. The latter are registered with tax authorities and observe rules of accounting as well as economic and social aspects of labour law related to hiring, firing, minimum wage and working conditions (Charmes, 2011). The informal sector includes in particular handicrafts, transport and small-scale trading.
4. Groups of countries were built by statistical analysis of 42 countries using regression-based agglomerative hierarchical clustering on time series data from FAOSTAT (2011) and World Bank (2014) between 1961 and 2010. Countries eliminated from the analysis are countries with too short time series and also several oil-exporting countries with a drastic evolution in GDP shares. The countries are classified as follows : i) *Diversifiers* : Benin, Cabo Verde, Cameroon, Côte d'Ivoire, Egypt, Mauritius, Morocco, Namibia, South Africa, Swaziland, Tunisia; ii) *Intermediate*: Botswana, Ghana, Kenya, Lesotho, Mauritania, Senegal, Sudan, Togo; iii) *Agriculturally based*: Central African Republic; Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mali, Mozambique, Seychelles, Tanzania, Uganda, Zimbabwe; iv) *Agriculture+*: Burkina Faso, Burundi, Comoros, Democratic Republic of Congo, Guinea, Guinea-Bissau, Liberia, Niger, Rwanda, Sierra Leone, Zambia
5. Anamorphosis is the intentional distortion of a depicted object and is used in statistical cartography to highlight a phenomenon. In anamorphic maps the value of the area is replaced by another statistical value. This distorts the geometry of the map according to the weight of each variable shown but keeps the shape and relative position of each country.
6. UN demographic projections mainly distinguish between high, constant, medium and low fertility. However, the UN has constantly revised its projections upward (Guengant and May, 2013).
7. The ratio is the inverse of the dependency ratio (inactive/active) which is more commonly used. This one has the advantage of targeting active people, i.e. the activity or production dimension, rather than dependent people and their cost.
8. In China in the 1990s, there were two active people for every one inactive (2.5 today), a sharp difference with Africa at the time in terms of productive capacity and living standard improvements.
9. In the case of the East Asian "miracle", the effective realisation of such potential contributed 25-40% of GDP per capita growth between 1965 and 1990 (Bloom and Williamson, 1998; Bloom, Canning and Malaney, 2000).
10. Growth rates of the rural population are the yearly increase in rural population as a share of the existing population.
11. Mali revised the size criterion several times: until 1987, it used an urban cut-off of 5 000 inhabitants; the 1998 census used a cut-off of 30 000 and the 2009 census used a cut-off of 40 000 (McGranahan and Satterthwaite, 2014: 7). In Tanzania, estimates of the extent of urbanisation may vary depending on three definitions used by different institutions. The urbanisation rate ranges from 16.8% (using the political-administrative approach) to 22.8% (using the statistical approach) and 23.5% (using the human settlements approach). Nonetheless, when using the OECD's occupancy-density-based approach, Tanzania's urbanisation rate rises to 33.5% (Paulais, 2012: 71).
12. In a small country like Burundi, the average size of land per household used for agricultural exploitation has fallen from around 2.2 hectares in 1990 to half a hectare in 2014 (AEO Country Note). With one of Africa's lowest levels of urbanisation (11%), Burundi has 396 inhabitants per square kilometre (World Bank, 2014).
13. Europe fully benefited from its hegemony in consolidating its structural transformation, and its imperialism gave it access to captive markets with little competition. It also enabled massive European emigration to the "new worlds", helping to absorb its growing workforce, strong poverty and even starvation like in Ireland in the 1850s. Latin America and Asia relied on important state-led modernisation policies – though arguably with many variations –, with import-substitution, protection of infant industries (Evans, 1995; Amsden, 2001) and substantial support to modernise agriculture (Djurfeldt et al., 2005), particularly during the Cold War period. Strong state intervention was the rule in reaction to World War I and the 1929 financial crash until the late 1970s when economic liberalisation began, with state disengagement and the rise of globalisation (Giraud, 1996; Ha-Joon, 2002). By then, African countries were still young and had barely worked out their own plans for modernisation.



14. By the end of the century, the predicted rise in temperatures of at least 2° C is set to seriously disrupt land and marine ecosystems.
15. Those consequences are mostly forecast through average changes in the weather, whose variations are still poorly understood (Thornton et al., 2014), but extreme weather events such as droughts and floods will also probably have significant impacts on agricultural systems. In recent decades, unpredictable rainfall has already badly affected the Lake Victoria region, northern Tanzania, the eastern part of the Democratic Republic of the Congo, the agro-pastoral region from central Kenya to the Eritrean coast, the Atlantic coast of West Africa, and the coasts of Angola and the Republic of the Congo.
16. Forests still cover between half and two-thirds of the land available in sub-Saharan Africa, but the increase in farmland – from 200 to 340 million hectares between 1975 and 2000, a 57% increase – was mainly at their expense (Brink and Eva, 2009).
17. The mixed results of many resource-rich countries in terms of poverty alleviation and inequality (Gamu, Le Billon and Spiegel, 2015) is largely explained by poor governance and rent usage (Bhattacharyya and Collier, 2014).
18. In 2010, 326 million people, or 34.3% of Africa's total population, had a daily income of USD 2-20 in 2005 PPP, the range used to characterise the middle class in Africa (AfDB, 2011: 2).
19. Expenditure on mining exploration activity in Africa has long remained below USD 5 per square kilometre relative to an average of USD 65 in Australia, Canada and Latin America. Exploiting these resources, however, may imply trade-offs with environmental sustainability.
20. "Some 24% of the world's agricultural land is found in Africa, but it produces only 9% of global agricultural output" (AfDB et al., 2013: 136).



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Annex 1.A1. Capturing the demographic dividend requires fast-track education policies

One important channel for the demographic dividend is fast-track, quality education policies that can accelerate the demographic transition. Fast-track education policies can contribute to economic growth by increasing activity ratios – the proportions of workers to dependants – and by upgrading people's skills (Cuaresma, Lutz and Sanderson, 2014; Lutz, Butz and KC, 2014; Basu, 2002; Abdurazakov, Minsat and Pineda, 2012). Accelerating the demographic transition will also smoothen the structural transformation of many countries.

The Wittgenstein Centre has developed demographic scenarios that integrate the effect of education on fertility and mortality, among others (Wittgenstein Centre for Demography and Global Human Capital, forthcoming). The scenario based on the constant enrolment ratio, or base-case scenario, projects no quantitative educational improvements. The fast-track scenario predicts that countries will achieve ambitious educational targets consistent with the Millennium Development Goals and the Education for All initiative. This scenario assumes that countries manage “to follow the experience of nations such as the Republic of Korea and Singapore, who experienced some of the most rapid expansions in schooling in human history” (Lutz and KC, 2013: 5). Base-case implies keeping the same percentage of students in school, while fast-track increases the number of students and their level of education.

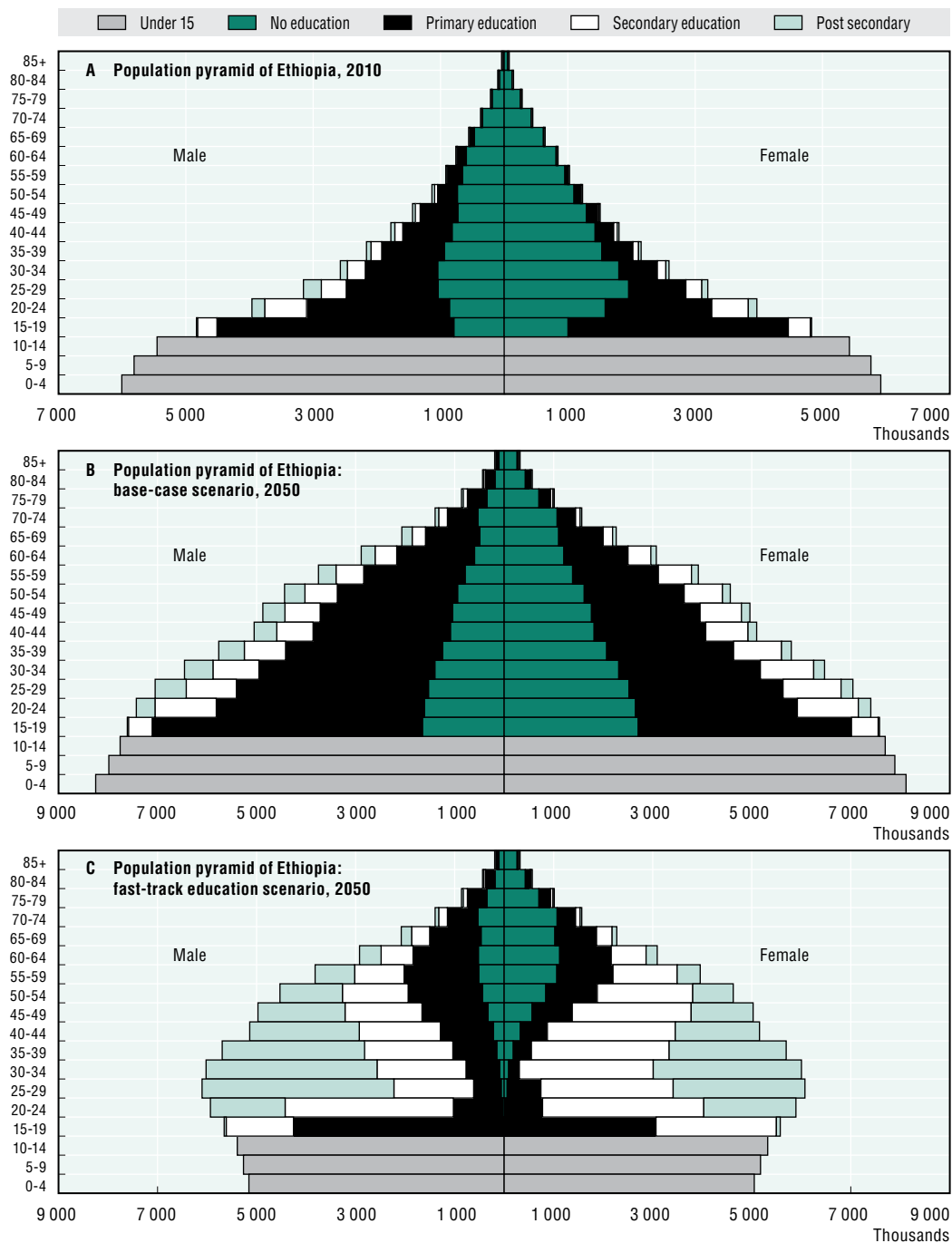
A country scenario: The case of Ethiopia

Ethiopia would benefit from stronger education policies. The country's fertility rate was almost five children per woman in 2010. Ambitious education policies would reduce population pressure, increase the activity ratio, foster a more educated labour force and decrease gender inequality in education achievement. Figure 1.A1.1 illustrates the impacts of alternative education policies on Ethiopia's demographic structure. It compares Ethiopia's education attainment in 2010 with two possible demographic scenarios. By 2050, according to the base-case scenario, the dependent population would increase by 57%, compared with 14% in the fast-track scenario.

Fast-track education policies would favourably reshape Ethiopia's population pyramid. In 2010, Ethiopia's pyramid was triangular due to the large population of young dependents. If the country adopts fast-track education policies, by 2050 the pyramid will become dome shaped as most of its population will have reached working age. Further, 23% of the population would obtain a post-secondary education. By contrast, under the base-case policies, Ethiopia's pyramid would remain triangular, and the majority of its population would remain without secondary education. Between 2010 and 2050, Ethiopia's total population would grow from 82.9 million to either 143.9 million in the fast-track scenario or 169.6 million in the base-case scenario.



Figure 1.A1.1. Ethiopia's educational achievement in 2010 and scenarios for 2050



Source: Wittgenstein Centre for Demography and Global Human Capital (forthcoming).

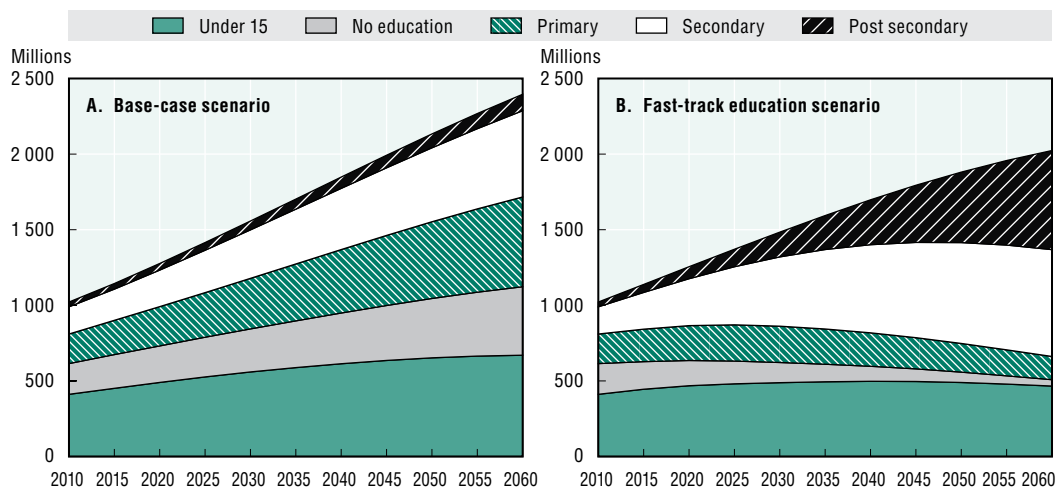
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A continental scenario

At the continental level, a fast-track education scenario would expand the working-age population significantly. It would improve Africa's activity ratio by increasing the number of workers per 100 dependents from 133 in 2015 to 200 in 2050. Moreover, ambitious fast-track policies would increase the number of workers with post-secondary degrees to almost 650 million by 2060, compared with 31 million in 2010. By contrast, keeping the current rate of enrolment would leave almost 700 million people of working age with no education in 2060 and few people with post-secondary degrees. Figure 1.A1.2 shows Africa's projected education structure by 2060. It also illustrates how education policies could affect the size of the continent's population. If African governments pursue fast-track education policies, the African population will reach 1.88 billion in 2050, compared with 2.13 billion in 2050 if the enrolment rate remains constant, a difference of 250 million people.

Figure 1.A1.2. Distribution of educational attainment in Africa: Policy scenarios, 2010-60



Source: Wittgenstein Centre for Demography and Global Human Capital (forthcoming).
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Korea adopted the fast-track education scenario. Since the 1960s, Korea sequenced its education policy to match the changing domestic labour demands. The first stage included expanding universal access to primary school through free compulsory education and building more schools, including in lagging areas. The programme was financed through a dedicated surtax and foreign aid which more than tripled the education budget from 4% of the government's total budget in 1954 to 15% in 1959. As the education base was gradually strengthened, the government shifted investment towards the expansion of secondary and tertiary education before investing in improving the quality of education at all levels (Kim, 2010). Throughout these periods, the government also focused on establishing and strengthening technical and vocational training to match the domestic demand for skills.

Moreover, increasing the availability and quality of education can help African countries direct their growth models towards higher value-added activities. Better quality education is linked to higher labour productivity, even when controlling for per capita income (OECD/CAF/ECLAC, 2014: 89; Hanushek and Woessmann, 2012). Improving education also means better targeting labour markets in both rural and urban areas. Post-secondary education is often too generalised and instils few of the practical skills that small businesses or self-employment require. Technical and vocational skills



development plays a minimal role for the moment, though it can be an important tool especially when used in co-operation with businesses. Fewer than 5% of secondary school students are enrolled in technical and vocational programmes, and their share in educational budgets is only about 2-6% (AfDB/OECD, 2008). A much larger share of youth goes through informal apprenticeships. In South Africa, expanding vocational training could enhance the skills of 3.4 million young people, one-third of those aged 15-24, who are neither formally employed nor in education or training. At the university level, Africa has the highest share of social science and humanities graduates of any world region but the lowest share of engineers. Only 2% of students study agriculture, the same as in OECD countries, although this sector is clearly the comparative advantage of many African countries (AfDB et al., 2012).



Annex 1.A2. Assessing spatial inequality in Africa

Available evidence suggests that Africa is the second most unequal continent in the world after Latin America (Ravallion and Chen, 2012). Moreover, high inequality seems to have persisted for over 60 years and shows no visible sign of declining (Bigsten, 2014; Milanovic, 2003). A paucity of data collected in repeated waves at the household level for many countries has prevented any systematic analysis on the underlying determinants of inequality in Africa. A recent attempt at the African Development Bank to fill this data gap resulted in a significant finding that confirmed other studies: using data from Demographic and Health Surveys from 37 countries conducted in 108 waves, Shimeles and Nabassaga (forthcoming) report that close to 40% of asset inequality in Africa is mainly due to spatial factors (Table 1.A2.1).

Table 1.A2.1. Inequality levels in 37 African countries

Period	Average Gini coefficient for assets	Component due to spatial inequality	Component due to inequality of opportunities	Component due to other factors
Before 1995	0.42	0.37	0.11	0.52
1996-2000	0.43	0.34	0.13	0.53
2001-05	0.38	0.32	0.13	0.54
2006-09	0.40	0.34	0.14	0.51
2010-13	0.44	0.39	0.13	0.47

Source: Shimeles and Nabassaga (forthcoming).

The spatial distribution of poverty reflects the continent's regional disparities, as Figure 1.A2.1. shows. Adverse spatial features can lock some areas in underdevelopment, creating “spatial poverty traps” (Bird, Higgins and Harris, 2010). The disparities overlap with the rural-urban gap. The figure not only shows major differences between capital regions and other regions but also reveals the larger regional gap in poorer countries, such as Ethiopia, Mali and Niger. It is based on the Multidimensional Poverty Index (MPI), a composite measure of poverty headcount and poverty intensity consisting of ten indicators (e.g. electricity access, drinking water, sanitation) which estimate household hardship level.

Disparities between regions also reflect spatial disparities at national level. All 37 of Nigeria's regions have sharp MPI variations, from Lagos (0.035) to Yobé (0.635). While the 11 northern regions have an MPI above 0.4, the low-value regions with less multidimensional poverty are all in the south (between 0.050 and 0.150), where the country's large metropolitan area, diversified economic activities and oilfields are concentrated. Other countries are more regionally homogenous outside the capital region. This is the case of Mali where all regions but Bamako have MPIs between 0.44 and 0.594. Niger's regions rate similarly, except Niamey and the sparsely-populated Agadez region (0.405) where uranium is mined.

MPI data also illustrates the disparities between coastal and landlocked areas of many African countries, where the MPI corresponds to 0.23 and 0.43 respectively. In the 365 regions of 36 African countries, landlocked areas have a higher poverty headcount and intensity than the coastal areas, and the difference is statistically significant at less than 1%. The MPI says 86% of the poor (252 million people) live in landlocked areas and only 14% (41 million) in coastal areas.

Multidimensional Poverty Index

High poverty 0.8

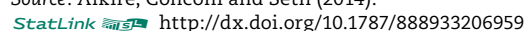
Low poverty 0

Legend: MPI value (black line), National average (green diamond)

Country	National average MPI (approx.)	MPI Range (approx.)
Niger	0.61	0.20 - 0.67
Ethiopia	0.57	0.09 - 0.67
Mali	0.56	0.24 - 0.63
Burkina Faso	0.53	0.21 - 0.70
Guinea	0.51	0.17 - 0.61
Liberia	0.49	0.31 - 0.56
Burundi	0.46	0.17 - 0.50
Senegal	0.44	0.21 - 0.65
Central African Republic	0.43	0.20 - 0.55
Benin	0.41	0.10 - 0.63
Democratic Republic of the Congo	0.40	0.10 - 0.50
Mozambique	0.39	0.05 - 0.53
Sierra Leone	0.39	0.11 - 0.51
Uganda	0.37	0.08 - 0.64
Madagascar	0.36	0.18 - 0.55
Rwanda	0.35	0.07 - 0.58
Malawi	0.35	0.16 - 0.38
Tanzania	0.33	0.20 - 0.43
Zambia	0.33	0.15 - 0.48
Gambia	0.33	0.10 - 0.59
Cote d'Ivoire	0.31	0.11 - 0.52
Togo	0.25	0.06 - 0.43
Cameroon	0.25	0.04 - 0.54
Nigeria	0.24	0.03 - 0.60
Kenya	0.23	0.04 - 0.52
Namibia	0.19	0.04 - 0.35
Congo, Republic of	0.18	0.10 - 0.36
Zimbabwe	0.17	0.04 - 0.30
Lesotho	0.16	0.10 - 0.29
Swaziland	0.15	0.14 - 0.21
Djibouti	0.14	0.04 - 0.37
Ghana	0.14	0.04 - 0.27
Swaziland	0.09	0.08 - 0.11
Gabon	0.07	0.06 - 0.08
Egypt	0.03	0.02 - 0.04

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Figure 1.A2.2. Multidimensional poverty in Africa's rural vs. urban areas





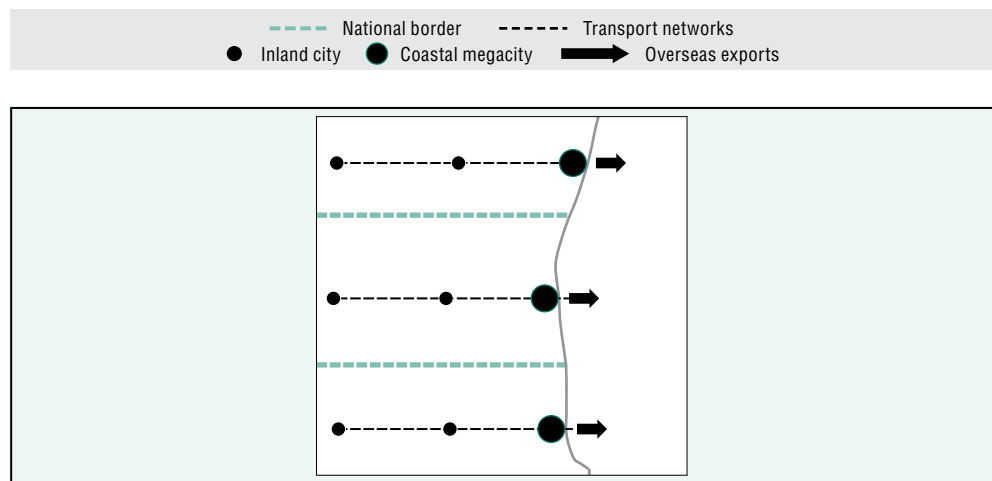
Annex 1.A3. Developing intermediary cities can accelerate structural transformation

For many countries, in a context of regional asymmetries, accelerating structural transformation requires better connecting rural areas to urban areas. Developing intermediary cities can strengthen the links between agriculture, industrialisation and urbanisation.

Rents have polarised spatial organisation

The colonial period strongly influenced the continent's regional configuration. Territories were largely dedicated to exploiting natural resources. Each territory built its own port to ship out commodities brought from inland by train; the port often became both the main town and a railhead. For landlocked territories, railways generally connected with the nearest colonial harbour, e.g. Ouagadougou to Abidjan or Kampala to Mombasa. The territories were oriented perpendicularly to the coast creating a “comb-shaped” structure, often dividing existing social and political entities (Figure 1.A3.1). The continent's 16 landlocked countries were thus connected to coastal regions by the “combs' teeth”.

Figure 1.A3.1. Africa's comb-shaped spatial organisation



After independence, countries endeavoured to build national unity and identity by beefing up the administrative and economic functions of the capital city and expanding its infrastructure. National borders were strengthened. Some regional infrastructure was discarded: for instance, the joint railway systems shared by Mali and Senegal and by Burkina Faso and Côte d'Ivoire were divided into separate units. Education systems also were split, each new country wanting to establish its own university despite a lack of money and staff.

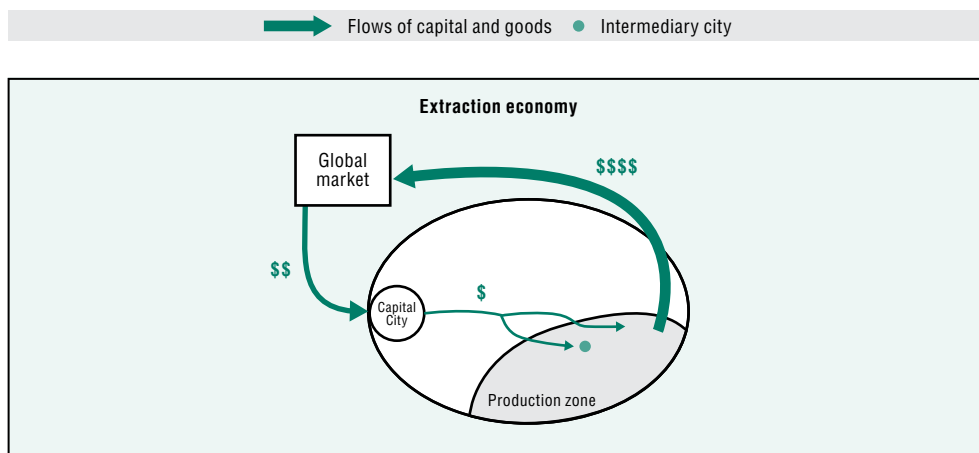
In many cases, the newly independent countries' strategic economic choices further fragmented the territories. Africa's integration into the world economy remained chiefly characterised by exports of unprocessed raw materials. Since extracting resources is locally based, enclaves developed, such as mining concessions and plantations.

One explanation for the slow pace of structural transformation is the persistence of rent systems that reinforced spatial polarisation. Governments have focused on capturing the rents that extracting resources generate, collecting them in the form of



royalties, taxes on both exports and imports, and, according to Magrin (2013), official development assistance. This has strengthened reliance on external financing by providing an alternative to domestic resource mobilisation. Figure 1.A3.2 provides a stylised representation of the spatial consequence of this rent system: polarisation is reinforced in favour of capital cities, often the port in coastal countries, and the main business, administrative and logistical hub; regions of extraction receive few benefits; and other regions hardly benefit from redistribution.

Figure 1.A3.2. Relationship between extractive rents and territories



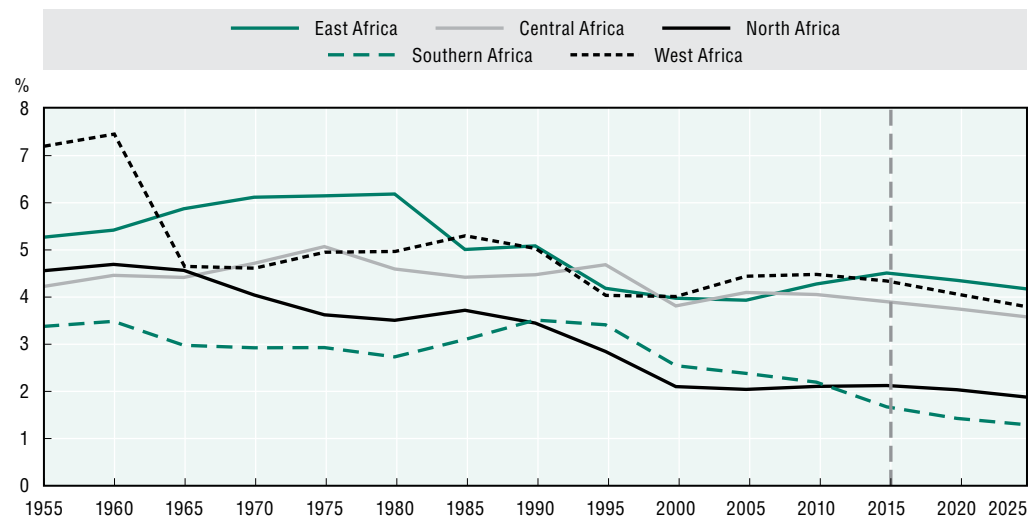
Source: Adapted from Magrin (2013).

Urban growth has sharpened regional asymmetries

African cities have not sufficiently acted as a driver of structural transformation. The creation of formal employment did not keep pace with migration flows and most rural-urban migrants found jobs in the informal urban sector. African cities thus have been growing quickly and unevenly, yet urban growth is no longer soaring; it has actually slowed down sharply since the boom of the 1950s-70s. In those days, West Africa's cities grew annually up to 7.5%, but they have since decelerated to a more modest 4.3% per year between 2010 and 2015. East Africa is now growing the fastest at 4.5%, while Southern Africa's growth rate is only 1.7% (Figure 1.A3.3). The severe economic crisis of the 1980s and 1990s was a turning-point, which raises the question of urban attractiveness in a context of massive under-employment and low job creation.



Figure 1.A3.3. Urban growth rates in Africa, 1950-2025



Note: The percentages reflect the average annual rate of change of the urban population over five-year periods.

Source: UNDESA (2014).

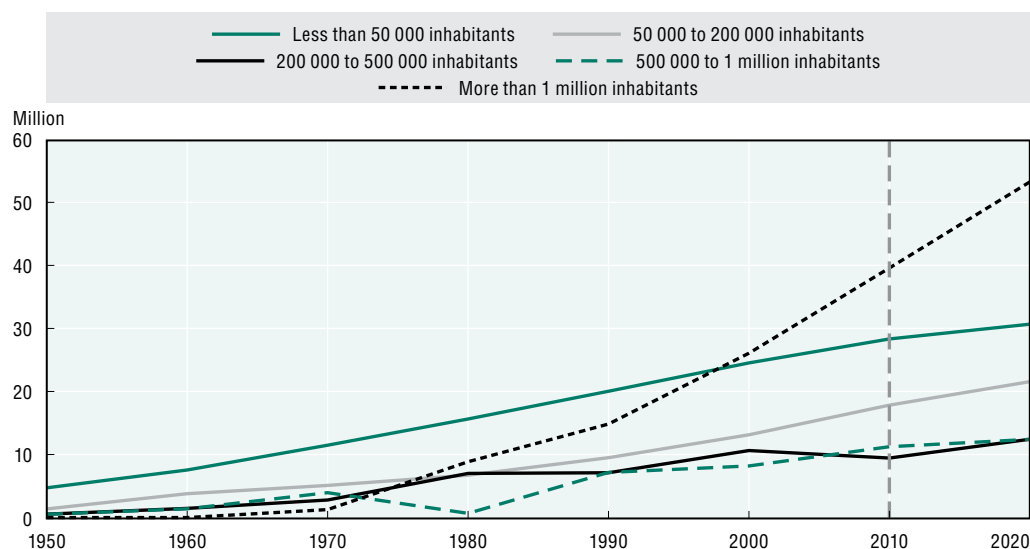
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The continent's asymmetric urban systems have resulted in metropolisation and diffused local growth. In **metropolisation**, as shown by Map 4 (see at the end of Part II) urban archipelagos emerge from clusters of towns connected by road systems prefiguring future megacities (Dollfus, 1997; Veltz, 1996). These vast, multipolar areas have been arising on the coast of the Gulf of Guinea and all over Nigeria (Denis and Moriconi-Ebrard, 2009). Similar systems are developing in the Ethiopian highlands, the Nairobi-Kampala corridor, South Africa and the countries of North Africa. Some African cities are densely populated: in the built-up areas of Metropolitan Lagos, the average density is over 20 000 people per square kilometre (Lagos State Bureau of Statistics, 2005). Despite this trend, Africa still has fewer large cities than other regions of the world: the continent of 1 billion people counts about 30 cities of 1 million inhabitants, while South America has 42 for only 400 million inhabitants.

Diffused local growth is the second driver of urbanisation. Long-standing, large villages become rural centres and then small towns, based on their commercial, administrative or religious functions. This has happened particularly in East and West Africa where the number of towns of less than 50 000 people has grown enormously since the 1960s. In addition, improvements in infrastructure and in mobile telephony have contributed to blurring the rural-urban divide: new, short migration patterns appear – with monthly, weekly or even daily commuting – reflecting regional densities and the quality of transportation (see Maps 5 and 6 illustrating the cases of Mali and Kenya). Diffused local urban growth shows the relative stagnation of medium-sized cities; cities having between 200 000 and 1 million people seem to be missing from Africa (Figure 1 A3.4).




Figure 1.A3.4. Urban population by sizes of cities and towns in West Africa, 1950-2020



Source: AFD et al. (2009) in Imbernon (2013).

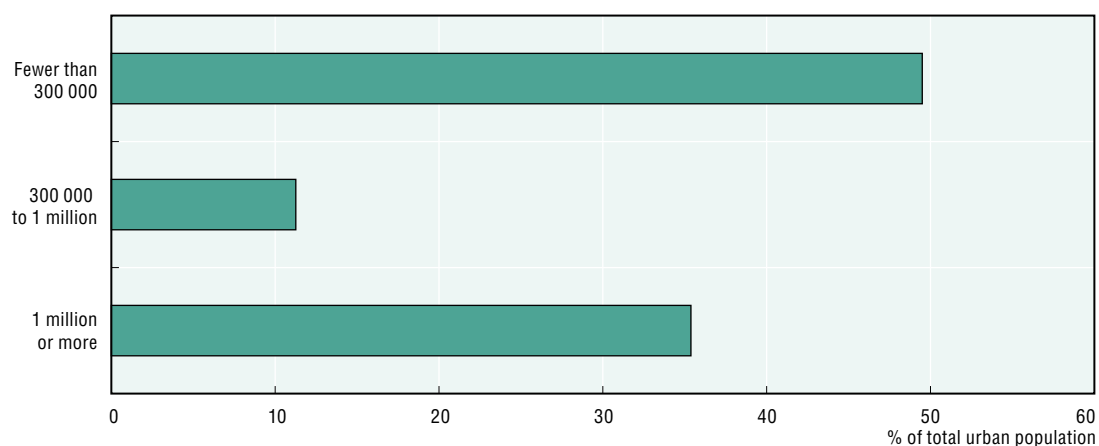
Note: The data covers 16 countries from West Africa.

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Intermediary cities are a “missing middle”

Consolidating a system of intermediary cities would help African countries bridge their rural-urban divide and decongest megacities. Intermediary cities hold a position between primary cities and small towns; definitions vary according to population size, function and economic status. Urban agglomerations between 300 000 and 1 million inhabitants account for less than 15% of Africa’s urban population (Figure 1.A3.5).

Figure 1.A3.5. Share of Africa’s urban population by size of agglomeration, 2010



Source: UNDESA (2014).

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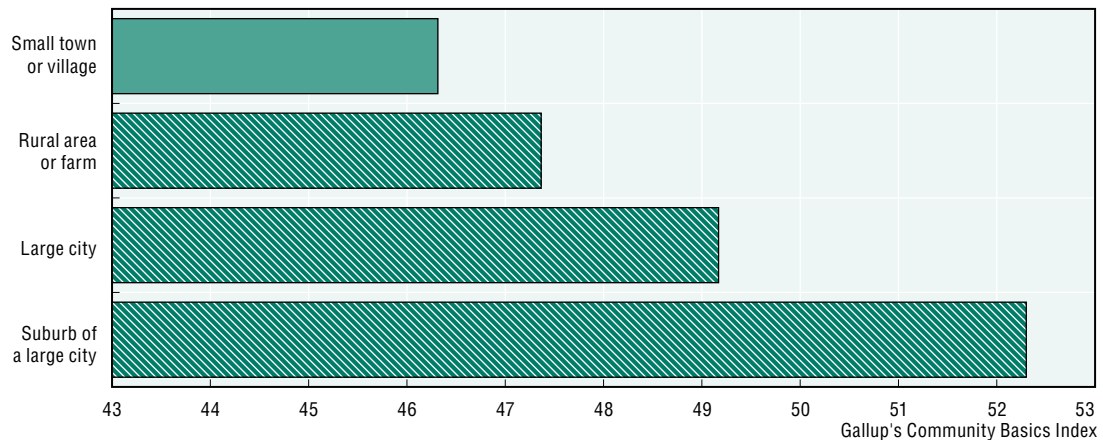
Intermediary cities are hence coined Africa’s “missing middle” (Christiaensen and DeWeerd, 2013). Intermediary cities and small towns suffer from high poverty, little investment and scant formal employment opportunities (Roberts and Hohmann, 2014). In small towns, community satisfaction with basic services such as highways, health care and education is lowest (Figure 1.A3.6). The informal sector is proportionally



larger in intermediary cities than in metropolitan areas; weak capacity of municipal government also undermines the business environment.

Without adequate public goods (infrastructure, basic services, equipment) and support to entrepreneurs (facilitation, information), many intermediary cities will likely remain poorly developed. Weak secondary sectors and limited incomes translate into low local demand and low local government revenue. Urbanisation, when limited to the agglomeration of poor people without productive economic opportunities, can hardly play its part in structural change.

Figure 1.A3.6. Satisfaction with basic community services for 42 African countries



Source: Authors' calculations based on Gallup World Poll (2012).

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In their national strategies, Madagascar and Rwanda have laid plans to develop intermediary cities (Box 1.A3.1).

Box 1.A3.1. Developing intermediary cities in Madagascar and Rwanda

Madagascar has adopted a multi-sectoral strategy to foster regional development. The country invested in roads and water supply, as well as in vocational training, higher education, services delivery and capacity building. This has created 13 000 new formal jobs, mainly in the cities of Nosy Be and Tolanaro (Speakman and Koivisto, 2013: 97).

Rwanda is investing in intermediary cities to respond to rapid population growth. The urban population is expected to triple by 2032, from 1.7 million to 4.9 million. The government is promoting the development of six intermediary cities (Huye, Muhanga, Musanze, Nyagatare, Rubavu and Rusizi), as well as improving access to public services. Investments in four provincial industrial zones (Bugesera, Huye, Nyabihu and Rusizi) will strengthen urban-rural economic linkages and increase economic opportunities in rural areas (AEO Country Note).

Intermediary cities provide multiple benefits

Intermediary cities have a key role to play in accelerating Africa's structural transformation:

- They can help bridge the gap between rural and urban areas by serving as logistic points mediating the flow of goods and services between rural hinterlands and larger cities (Haggblade, Hazell and Reardon, 2009). They open up competition



in agricultural value chains that are too often oligopolistic: wholesalers and transporters make wide marketing margins at the expense of farmers, while food exporters lack appropriate storage facilities and suffer from delivery delays at ports (Rakotoarisoa, Lafrate and Paschali, 2011: 43). They can serve as markets for products from rural areas and stimulate agricultural productivity. For instance, food consumption in a West African city of 50 000 inhabitants typically reaches USD 10.35 million a year and in a city of 300 000 inhabitants USD 44.8 million (Yatta, 2006: 149). Intermediary cities can thus offset the demand for importing agricultural products (OECD, 2013: 33).

- **They can provide the economies of agglomeration necessary to develop labour-intensive industries** such as textiles and agro-processing or **services** like tourism, especially those that do not require high knowledge spill-overs (Christiaensen and De Weerd, 2013). They can also connect a region to globalisation: Casablanca and Fez in Morocco have leveraged on their educated workforce and ICT infrastructure to become major ICT service centres. Similarly, Zanzibar City, Tanzania, has tapped into the region's cultural wealth to become an international tourist destination. Experiences from other countries show that linkages among intermediary cities can foster innovation. For example, wineries scattered around multiple smaller intermediary cities in Australia and New Zealand have actively collaborated in blending wines to produce new products of international quality.
- **Intermediary cities can leverage economies of scale to deliver public services to surrounding areas.** They can relieve megacities, which tend to generate diseconomies of agglomeration beyond an estimated threshold of 7 million inhabitants (OECD, 2006). Intermediary cities can serve as hubs providing health services and education and disseminating technology to their surrounding areas. Investing in their infrastructure reduces the incidence of people moving to primary cities for public services. A more balanced urban system prevents overstretching public services and other negative effects of over-concentration in large cities. Moreover, strengthening intermediary cities can create jobs in the non-tradable sectors of construction, infrastructure and services (e.g. education, health, security) that will expand with Africa's demographic revolution.

Intermediary cities can also efficiently alleviate poverty. In rural Kagera, Tanzania, one in two individuals who left poverty did so by transitioning from agriculture into the rural non-farm economy or intermediary cities; only one in seven exited poverty by migrating to a large city (Christiaensen and De Weerd, 2013).

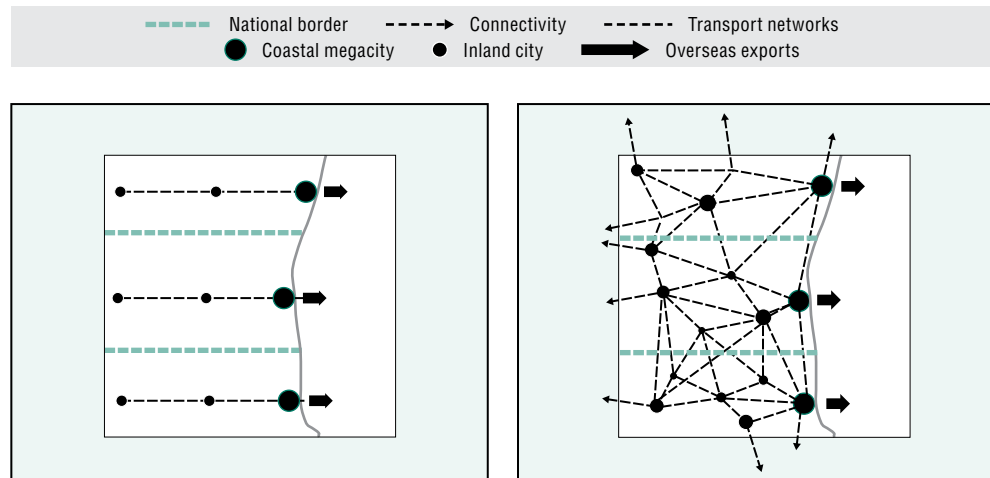
Moreover, moving to intermediary cities may entail lower migration costs than moving to more distant large cities. They offer more possibilities for circular migration and commuting for off-farm employment. Generating rural off-farm employment can reduce rural poverty by providing additional income (Owusu, Abdulai and Abdul-Rahman, 2011). It can also alleviate credit and liquidity constraints, enabling farmers to preserve their productive assets, generate stocks and stabilise their consumption (Barrett, Reardon and Webb, 2001). In India, remittances between intermediary cities and rural areas, consumption linkages, and the upward pressure on agricultural wages contributed between 13% and 25% of rural poverty reduction between 1983 and 1999 (Cali and Menon, 2013).

Developing intermediary cities would benefit endogenous development and lead to polycentric networks that value internal resources, strengthen intra-African trade and connect regions. It would help remedy the extroverted transport networks inherited from rent-based economic systems which intensify spatial exclusion. The stylised



Figure 1.A3.7 helps visualise the contrast between Africa's fragmented territories and what a polycentric network articulated around intermediary cities could look like.

Figure 1.A3.7. Africa's fragmented territories vs. a polycentric network



Financing sustainable intermediary cities requires innovative solutions

Developing intermediary cities requires a systemic approach that strengthens their respective roles in the urban hierarchy. Through the process described in Chapter 3, local governments and private actors will need to identify comparative advantages and local opportunities (Table 1.A3.1). Communications and transport networks linking intermediary cities with both the rural areas and the primary cities will generate economies of scale. Central and local governments will need policies to foster trade and integrate intermediary cities into global value chains.

Table 1.A3.1. The different urban functions of intermediary cities

Urban function	Description
Regional market	The intermediary city is the main location for producing and exchanging goods and services in local and regional economies.
Service centre	The intermediary city offers public and private services to its community and the surrounding population.
Regional capital	The intermediary city hosts regional or national political and administrative institutions.
Tourist centre	The intermediary city promotes activities linked to domestic or international tourism.
Communication hub	The intermediary city acts as a platform for moving people, goods and information.
Economic location	The intermediary city holds a strategic role in the national, regional and global economies thanks to its geographic location and development strategy (e.g. duty-free zone).

Source: Adapted from Song (2013).

Intermediary cities would need to find innovative ways to cope with environmental challenges, in particular by providing essential services to the majority of the population (UN-Habitat, 2014). By devolving more taxation powers (see Chapter 3) or transferring more resources to local governments, central governments could help intermediary cities carry out the necessary infrastructure projects (Satterthwaite and Tacoli, 2003).

Investments in urban green growth can create jobs. Investing in retrofitting buildings, for example, creates jobs in construction and manufacturing without much additional cost for training. Similarly, ecological public transportation is labour intensive. Finally, the sectors of waste-to-energy and recycling can have potential for generating low-



skilled or high-skilled jobs, for example in waste sorting or research and development, respectively (OECD, 2013).

Financing intermediary cities will require progressive solutions. On the one hand, efficient land-use planning will be crucial to avoid expensive re-settlement costs which currently account for up to 50% of infrastructure budgets. On the other hand, resource-sharing arrangements between cities or with businesses can lower costs, ensure better-managed services, and recover some costs of services from developers and landowners (Roberts and Hohmann, 2014: 197). Finally, local and central governments can tap several sources: central government transfers, private domestic and foreign investment, as well as remittances. In many countries, the majority of remittances go to small cities and finance their growth (Orozco, 2008; Roberts and Hohmann, 2014: 80).



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Chapter 2

A critical review of regional development and spatial inclusion policies in Africa

This chapter reviews the effectiveness of various policy actions in promoting regional development and spatial inclusion. The first section looks at actions targeting specific regions and places. The next section reviews policies which have a strong territorial impact; infrastructure and decentralisation emerge as important anchors for inclusive regional development strategies. The last section stresses the difficulties for policy makers to design policies that fully address Africa's fast-changing demographic and regional realities. Traditional sectoral approaches ignore spatial dynamics as well as complementarities and trade-offs between policies. They are often based on a lack of knowledge on regional economies owing – among other things – to inadequate local statistics.



In brief

In the past, regional development policies have been carried out in several African countries to tackle regional disparities and promote spatial inclusion. Generally, these different policies have met with little success and have been progressively brought to a halt since the 1980s. Some policy instruments continue to be applied, remain patchy and have lacked an integrated and cross-sectoral approach. In many African countries, policy instruments have been used in targeted regions and specific places. Special economic zones, economic corridors, planned cities and policies that target lagging regions have appeared across Africa. Some of these instruments have proved useful in certain conditions. However, their sum does not constitute in itself a policy for regional development.

In parallel, some sectoral national policies have had certain positive spill-over effects on territorial development. Progress in infrastructure projects, especially information and communication technology, energy, and river basins, have contributed to reducing regional fragmentation and strengthened regional ties.

Taking a step back from both these different tools and sectoral policies allows us to identify blind spots that have a negative impact on effective regional policy making. The prevalence of narrowly defined sectoral actions and inadequate statistics as well as knowledge about regions and local economies constitute crucial challenges that African policy makers will have to face.

Certain policy instruments have helped to foster regional development in specific places, but their sum cannot in itself constitute a policy

Some African countries, especially in West Africa, developed regional policies in the past. However, these policies have had heterogeneous success for two reasons: in many cases national and local governments did not possess enough capacity to support and implement them in a sustainable way, and in other cases they designed and implemented these policies with weak or no co-ordination with other government actions. Regional policies have been generally abandoned since the 1980s in the aftermath of the debt crisis (Alvergne, 2008: 193-198). Today, some policy instruments have remained, have spread to new places or have even been influenced by successful experiences in other developing countries. However, their sum does not constitute in itself a strategy for regional development, i.e. an appropriate mix of policies, taking into account trade-offs and complementarities, and a careful policy sequencing.

Some have even argued that targeting the development of a specific geographic location is a top-down, ineffective way of spreading economic activity. However, a number of successful experiences – such as special economic zones (SEZs) in China – suggests that targeted policy instruments can be a useful component of development strategies. The track record in Africa is mixed: SEZs, economic corridors, strategies for lagging regions and cross-border initiatives may promote local development and spatial inclusion when carefully managed and tuned with the specific local context assets, maybe planned cities less so. In any case, the main weaknesses of these approaches is often that they have been led in a top-down fashion, have relied on weak institutional frameworks with limited capacity, have been weakly co-ordinated with sectoral policies with a strong territorial impact, and in some cases have actually suffered from and even contributed to favouritism. Some of these policy instruments are reviewed more in detail below.



Special economic zones can promote regional development, but they have not created massive employment so far

SEZs are spatially delimited areas that operate under a different administrative, regulatory and fiscal environment from that of the country where they are located. They can therefore overcome investment barriers that exist in the domestic economy and accelerate industrial development and economic reforms. SEZs include export processing zones, free zones and foreign trade zones.

China's success with SEZs and its growing partnership with Africa have renewed the interest of many African countries in developing them (Chaponière, Perreau and Plane, 2013: 51-53). SEZ schemes have been introduced in Africa as far back as the 1970s, for instance in Liberia (1970), Mauritius (1971) and Senegal (1974). Today, there are about 114 economic zones in nearly 30 countries in sub-Saharan Africa: most began operating in the 1990s and 2000s (Farole, 2011: 67). Many countries have integrated SEZs into their national development plan, and some, such as South Africa, have a dedicated law for SEZs.¹

SEZs in China have proven their potential to foster regional development. There, introducing a SEZ programme increases the level of foreign direct investments (FDIs) per capita in the zone by 112% on aggregate, whereas it diverts FDIs from adjacent zones by 33%. Moreover, concentrating investments in the SEZs speeds up technological progress and raises wages (Wang, 2013).

Many SEZs in Africa face difficulties in emulating the success of China's labour-intensive and export-oriented SEZs, though it is too early to assess them fully. Most zones typically experience a slow start of five to ten years before expanding, and they encounter numerous obstacles:

- Many SEZs face high costs of labour, input and transportation, combined with low productivity. A survey of 91 SEZs in 20 sub-Saharan countries finds they account for approximately 1 million jobs, or 0.2% of total employment (Kingombe and Te Velde, 2012). The *Zone franche* in Madagascar is a case in point: its initial macroeconomic impact was highly significant in terms of exports and employment, with a peak of 100 000 jobs in 2004. But clothing quotas ended in 2005 and brought the experience to a halt.
- A poor national investment climate has limited foreign direct investments in SEZs (Bräutigam and Tang, 2014). Moreover, the large difference in regulations and tax regimes for export-oriented and local firms hinders linkage and industrial spillovers. Indeed, countries like Tunisia encounter problems in creating more social benefits from their offshore sector (AfDB/OECD/UNDP, 2014: 78).
- Other objectives can deeply interfere with economic considerations and influence the design of zones. For example, in the United Republic of Tanzania, political demands influenced the government's decision to allocate one SEZ per region despite the risks of oversupplying industrial space, crowding out private investments and taking on further expense such as payments of land compensation (Farole, 2011). Moberg (2014) also highlights the risks of resource misallocation and rent-seeking in SEZs that lack strong government institutions.
- Some SEZs face bottlenecks due to a narrow economic focus on their design and a lack of co-ordination and alignment between policies, i.e. the underestimation of the intrinsic multi-dimensional nature of place-based actions. In Lesotho, where zones have generated relatively large employment opportunities, the local social infrastructure has not kept up with the mass influx of workers (Farole, 2011: 99).

Lessons from China show that "special economic zones bring growth if they exploit advantages in natural and economic geographies" (World Bank, 2009: 254). Proximity to large urban agglomerations, coastal areas and good infrastructure therefore allow for dynamic SEZs.

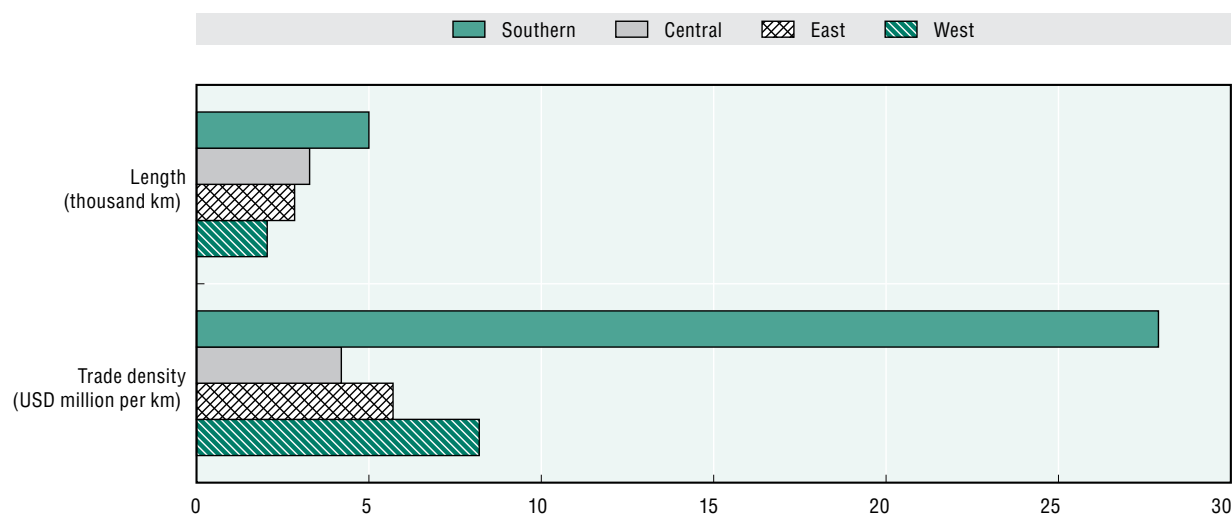


Experiences of economic corridors in Africa have been successful in some cases

Economic corridors aim to build industrial and social facilities along with soft and physical transport infrastructure to develop adjacent regions. They often do so through public-private partnerships. Economic corridors are thus a key component in tapping the potential of regions, especially where they harness the spill-over effects of investment in extractive sectors.

Several countries have identified economic corridors as a major component of their regional development strategy (AEO Expert survey, 2015). Those in Southern Africa are the most advanced in terms of both length and trade density (Figure 2.1). The Maputo Development Corridor links South Africa's Gauteng region to Mozambique's deepwater port in Maputo; launched in 1996, it improves infrastructure along 500 kilometres of road and rail and simplifies regulatory requirements for border crossings and modal switches. The more recent Trans-Kalahari Corridor provides a direct route from Walvis Bay and Windhoek in central Namibia through Botswana to Johannesburg and Pretoria. Tanzania's Southern Agricultural Growth Corridor (SAGCOT) focuses on agriculture and small-farm holders through an innovative risk-sharing mechanism using public-private partnerships. Smaller countries have leveraged on their strategic geographical position to structure their main economic activities along major corridors, such as the Mbabane-Manzini Corridor in Swaziland. Other examples include Kenya's Northern Corridor and the Abidjan-Ouagadougou Corridor.

Figure 2.1. Length of and trade density on transport corridors in sub-Saharan Africa, 2009



Source: Teravaninthorn and Rabaland (2009).

StatLink <http://dx.doi.org/10.1787/888933207005>

Economic corridors can cut trade costs and increase efficiency by expanding markets. Outside the corridors, traders in landlocked countries bear inventory costs that exceed 10% of the goods' value due to transport disruptions (World Bank, 2013). Reducing inland travel by one day can increase exports by 7% – equivalent to decreasing all importing-country tariffs by 1.5 percentage points (Freund and Nadia, 2010).

However, careful planning is required as corridors can create “tunnel effects”, vacuuming surrounding areas and excluding regions that lack strong competitive advantages (Losch, Magrin and Imbernon, 2013). Economic corridors can wipe out local firms that could be competitive by adjusting their operations but are not fully aware of



the consequences and functioning of the corridor (Lafourcade and Thisse, 2008: 28). For instance, the Maputo Development Corridor has raised concern since it opens South African industry to foreign competition without adequately preparing the affected regions. In addition, Tanzania's SAGCOT has been criticised as "externally driven" to the benefit of elites and outsiders without real involvement of stakeholders such as the Ministry of Agriculture; the corridor is likely to exclude 90% of small-farm holders (Byiers and Rampa, 2013: 15).

The following are important aspects to take into account when considering corridors for regional development:

- the number and size of the economies at both ends and along a corridor
- the level and type of demand for a corridor
- the degree of alignment of policy objectives and tools, both within and between the concerned countries and the objectives of the corridor itself
- the mechanisms to increase linkages between a corridor and local areas, for instance through feeder roads, energy connections and services provision (Byiers and Vanheukelom, 2014; Byiers and Rampa, 2013; Jourdan, 2011).

Planned cities and poles of growth help to balance urban networks but need to be embedded in spatial inclusion policies on a broader scale

Planned cities can help balance networks of cities, promote regional centres of growth and decongest megacities. Historical examples include urban development along the American frontier by the colonial settlers in the United States or Brazil's construction of Brasilia or the planning of secondary cities in China. Nearly all African countries have conducted urban planning by promoting the development of cities within new districts. Many countries have planned their city networks to a large extent: for example, South Africa has balanced its urban network, with Cape Town as the legislative capital, Pretoria the administrative capital and Johannesburg the business centre.

Based on regional planning goals, "new cities" can be created *ex nihilo* or from a small urban agglomeration (Losch, Magrin and Imbernon, 2013). Several countries have planned secondary cities to set up new poles of regional growth, though with uneven success:

- **Togo** created a new region, Kara (the home region of the late President Gnassingbé Eyadéma), as a second pole of development to counter the extreme spatial inequality between the richer coastal south and the rest of the country. However, this centrally designed policy did not consider local specificities. For instance, large sums were invested to develop Kara's textile industry, but cotton production remained marginal (Nyassogobo, 2010: 94).
- **Angola** recently built a large housing development in Kilamba 30 kilometres outside Luanda. The purpose was to decongest the capital and meet the national commitment to build 1 million new housing units. The top-down nature of the project prevents it from taking account of actual housing demand: the units' price tags of USD 120 000 and USD 200 000 were far beyond the reach of the population. The city was a ghost town until the government agreed to provide subsidies to cut the prices by up to half (McClelland, 2013).²
- **Egypt** has built more than 20 new cities since 1974 to decongest the capital Cairo. New town developments accounted for 22% of investment by the Ministry of Infrastructure between 1997 and 2011 (World Bank, 2009: 224). They focused on attracting investment, unfortunately ignoring accessibility and local services. The new cities did not attract more than 1% of the population and Cairo remains congested. In March 2015, the government announced plans to create a new administrative capital within the next five to seven years (BBC, 2015).



Several countries have created new capitals, some of which now exceed 1 million inhabitants. While this approach carries potential for better regional development, it has not always been multidimensional, participative or inclusive:

- In 1958, **Mauritania** built its capital, Nouakchott, for an expected capacity of fewer than 15 000 inhabitants. It has grown more than 9% annually since 1950 and is projected to reach almost 1 million inhabitants in 2015 (UNDESA, 2014). Its high population density leads to severe congestion (Pazzanita, 2008: 369).
- In 1973, **Tanzania** transferred its capital to Dodoma, a planned city in a more central location, in order to balance regional development. However, many of the original government offices remain in Dar es Salaam, thus increasing the cost as the government is run from both cities (Mosha, 2004).
- In 1983, President Houphouët-Boigny made Yamoussoukro (his birthplace) **Côte d'Ivoire's** new capital, moving the parliament and the administration from Abidjan. The project drew criticism as Yamoussoukro hosted colossal construction projects, while the country trailed behind on human development indicators. The progressive take-off of the new capital was extremely slow.
- In 1991, **Nigeria** officially moved its capital from Lagos to Abuja. While the move proved particularly challenging, shifting the administrative functions away from Lagos ultimately enabled Nigeria to alleviate the increasing demands on public services in the already crowded coastal city (Alvergne, 2013).
- At the time of writing, **Equatorial Guinea** is building a new capital, Oyala, to create a new pole of growth on the mainland. The project is expected to create new road systems, administrative buildings, social infrastructure and major residential areas by 2020 in a new city for 200 000 inhabitants – moving about one-eighth of the country's population. Concerns have been expressed over social and environmental impacts (Sackur, 2012).

The mixed record of planned cities is largely explained by the fact that they often do not aim to increase spatial inclusion or promote regional development. In fact, planned cities have sometimes worsened spatial exclusion *de facto* or deliberately (Box 2.1).

Box 2.1. Regional development policies and inequalities

While traditional sectoral policies greatly risk being captured by the vested interests and rent-seeking behaviour of the elite, regional development instruments, when poorly designed and implemented, may further induce inequalities. In some countries, the biases of urban elites may leave rural areas neglected (World Bank, 2009: 222). In others, a pro-rural bias may entice policy makers to limit urban expansion (Yatta, 2015). Sectoral policies may also favour regions that boast better infrastructure, thus contributing to the spatial exclusion of less developed regions and undermining national cohesion.³

Policy choices may also reflect preferences to invest public funds or channel donor aid to their regions of origin of influential policy makers (Posner, 2005: 96). Regional favouritism is widespread in many African countries (Edgerton, 2002; Meredith, 2005). It has been an important driver of regional inequality:

- Hodler and Raschky (2014) find that, in a sample of 126 countries (42 in Africa), the birth region of the current political leader emits more light at night than other subnational regions, indicating greater economic activity.
- Burgess et al. (2014) reveal that road investments in **Kenya** are disproportionately allocated to its presidents' district of birth and to regions where their ethnic group prevails. Kramon and Posner (2014) observe similar results for other distributive policies in Africa.



Box 2.1. Regional development policies and inequalities (cont.)

- Sommers (2005) reports that government practices and international agency actions have exacerbated **Burundi's** unequal distribution of resources across provinces, which were inherited from the colonial era. This increase in inequality leads to visible disparities between provinces, clans and ethnic groups.
- In **Tunisia**, regional disparities aggravated by national policies were one of the factors that led to the Arab Spring (AfDB, 2012: 12).

Spatially targeted policies can help lagging regions

Targeted policies for improving welfare in lagging areas have been criticised for making inefficient and costly investments that build “cathedrals in the desert” (World Bank, 2009: 231). However, in fragmented countries, spatially targeted actions may be one of the few policies to increase lagging areas’ connection to markets, provide indispensable services, mobilise un-tapped resources for development, reinforce human capacity and strengthen the sense of belonging to the national community. In particular, countries with areas that face high levels of spatial inequality and demographic growth need actions to address lagging areas. Present targeted policies include the following:

- **Ethiopia's** Ministry of Federal Affairs co-ordinates multi-level government efforts to strengthen peace and security by ensuring equitable development between regions. In the past two decades, resources have been provided to subnational levels of government using a grant sharing formula under right and equity considerations (PRDP, 2007).
- **Ghana** created the Savannah Accelerated Development Authority to transform its northern savannah ecological zone where 80% of the population live in poverty. The programme focuses on modernising the agricultural sector and promoting mining and tourism.
- **Mali's** Accelerated Development Programme for the Northern Regions seeks to alleviate the country’s food crisis and reconcile its conflict-ravaged region. It focuses on strengthening institutions, the rule of law and accountability to citizens.
- **Uganda** established the Peace Recovery and Development Plan to bridge the gap between the post-conflict Northern region and the rest of the country. By 2010, up to 7 900 hectares of land were given over to agriculture, while 670 kilometres of feeder roads were rehabilitated and about 360 kilometres of community access roads constructed. The government has established subnational ministries for disadvantaged areas suffering from the legacies of the war, including Bunyoro and Karamoja. A new phase of the plan will focus on the transition from recovery to sustainable development (AEO Country Note).

Dedicated strategies can help lagging regions unlock their potential, but they must progressively develop local resources and endogenous development processes, including by attracting foreign direct investment and exploiting their backward and forward linkages. Mere compensations of regional inequalities by means of temporary subsidies seem often associated with poor or negative results, engendering assistance, dependency and even corruption (Box 2.2). Improving service delivery encourages the young and educated to participate in the local economy. Better education and health systems also result in a more productive workforce, and connective local infrastructure reduces the costs of transportation and economic transactions.



Box 2.2. Why some resource-rich regions are lagging behind

Regions that are rich in natural resources may fail to develop owing to limited technological progress, “lock-in” in productive specialisation, declining productivity and competition of rival groups over rents. Abundant resources can intensify the “reward” for controlling such institutions (Acemoglu and Robinson, 2013).

Rents from natural resources provide leeway to develop a patronage system that strengthens extractive institutions (Robinson, Torvik and Verdier, 2006). Rents are typically transferred to elites in leading areas, such as capitals. Local patronage can thus undermine national cohesion. In Cameroon, new-found oil raised economic growth at an annual average of 9.4% from 1977 to 1986, followed by decades of economic decline (Acemoglu and Robinson, 2015). Similarly, in the DRC, the Kantaga region has been marred in poverty, political instability and wars in spite – or because – of its wealth of mineral resources such as bauxite and uranium (Wrong, 2000).

Transparency and accountability are key to combatting some aspects of the political economy of the “resource curse” (AfDB et al., 2013). Publishing information on revenues and expenditure of resource rents can enable citizens to fight corruption and rent-seeking, for example through the Extractive Industries Transparency Initiative (EITI). To channel resources back to local communities, governments can dedicate a tax to resource production for regional development. They can also encourage local production to provide jobs and create linkages with the local economy.

Some multi-sectoral cross-border initiatives boast best practices

River basin co-operation for developing communities that share transboundary water lends itself to multi-sectoral approaches. The Senegal River Basin Development Authority (OMVS) has become an international best practice for cross-border regional integration. Since 1972, Mali, Mauritania and Senegal, and later Guinea, have managed the Senegal River together to produce and distribute energy, facilitate irrigation and improve navigation. The dam in Mali produces energy that is distributed equally among the participating countries (Sy, 2009: 182).

The International Commission of the Congo-Ubangi-Sangha Basin (CICOS) created a uniform river regime for the Congo basin in 1999 between Cameroon, the Central African Republic, the Republic of the Congo and the Democratic Republic of the Congo (DRC). CICOS promotes transportation on the inland waterways and manages the sustainable use of water in the region.

The Nile Basin Initiative has not been as successful. In 1999, Burundi, the DRC, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda sought to co-ordinate economic development in the river basin to ensure sustainable water use. However, six upstream states signed an agreement in 2010 to draw more water from the Nile for irrigation and hydroelectric plants, despite disagreement from downstream countries.

Other multi-sectoral, cross-border initiatives are promising but few. For example, Nigeria pioneered cross-border strategies for local development by setting up bilateral agreements with its neighbours in 1988 to address problems together, as well as to maximise joint benefits. In 2002, Malian president Alpha Omar Konaré created the concept of *pays-frontière*, which refers to at least two countries that share borders and socio-cultural and economic links. The objective behind the concept was to build common management systems among neighbouring regions (Diarrah, 2002: 6). Box 2.3 provides examples of such cross-border initiatives.



Box 2.3. Best practices of multi-sectoral, cross-border initiatives in West Africa

West Africa boasts a number of successful cross-border initiatives fostering regional development, including these two.⁴

ECOWAS launched a cross-border co-operation programme for the region known as **SKBo**, where communities from different nationalities share schools, health centres and rural radio stations. SKBo covers – and is named after – the cities of Sikasso (Mali), Korhogo (Côte d’Ivoire) and Bobo Dioulasso (Burkina Faso). These are intermediary cities whose economies are mostly based on managing rural production. Today their main economic activities are large-scale cotton production, gardening, arboriculture and produce, especially cashews, citrus fruits, potatoes and mangos. To increase productivity, SKBo promotes animal traction, agricultural inputs (i.e. through a pesticides programme and a seed, fertiliser and feed programme) and coaching of farmers. Trade is at the heart of SKBo, respecting the major trade routes’ traditional link to cultural and religious identities. SKBo has diversified rural production and increased profitability and trade by building on local identity and the natural characteristics of the land (AEBR, 2012). **Regional Park W**, a natural reserve, is jointly managed by Benin, Burkina-Faso and Niger through the Protected Ecosystems in Sudano-Sahelian Africa programme (ECOPAS) since 2001 (Igue and Zinsou-Klassou, 2010: 17). The park is the last Savannah wildlife protection area in West Africa. ECOPAS aims at preserving biodiversity, offering vocational training to indigenous people and providing advice to local communities. The programme has triggered economic activity through eco and cultural tourism, creating jobs for the preservation and maintenance of the park. ECOPAS has also fostered micro-projects in the areas surrounding the park, e.g. planting indigenous trees and managing water resources (SWAC/OECD, 2005).

Certain policies can have a strong territorial impact but cannot replace regional development policies

Regional policies do not work in isolation. They should be co-ordinated with a wide range of policies that strongly affect the development of places (regions, local areas, transborder regions, etc.) by structuring mid- and long-term development options. In fact, while sectoral policies implement standards decided nationally in place-blind ways (at least in theory), regional policies are context specific and should optimise local specific assets and improve the local quality of life by fine-tuning the overall local and national policy making.

Most countries throughout the world, as well as international organisations, divide responsibilities only by sector. Ministries of education, health, infrastructure, finance, planning, environment, agriculture and others are each in charge of their respective affairs throughout the territory. Similarly, donor administrations and their funding projects are organised by sector. While efficient in organising policies, the sectoral lens can hamper effective problem-solving and regional development:

- Sectoral policies alone do not directly connect the different dimensions of development, spaces or stakeholders they affect. In particular, they tend to overlook local knowledge, aspirations, resources and dynamics. A case in point is the difficulty of including the “informal economy” in employment strategies typically geared toward the “formal economy” (AfDB et al., 2012).
- Sectoral ministries may intervene along administrative boundaries, instead of focusing on the functional areas where socio-economic activities actually take place.
- Without close co-ordination, top-down sectoral policies may result in the duplication of projects, which consulting with local communities could prevent. Policies by one



ministry may offset the actions of another ministry.⁵ Inter-ministerial competition further impedes co-ordination.

- Sectoral lenses tend to limit action to a few specific tools, regardless of the complexity of problems. For instance, a study showed that out of 30 African countries having prepared a Poverty Reduction Strategy Paper (PRSP) with support from the International Monetary Fund and the World Bank, only three African countries – Djibouti, Guinea and Senegal – have urban strategies with relatively well-defined budgets. Most African countries' PRSPs are structured around the themes of governance, economic growth and infrastructure (Paulais, 2012: 75).

Promoting a regional approach and developing regional strategies is a way to “decompartmentalise” existing policies in order to tap the full potential of African regional resources and spatial dynamics (Losch, Magrin and Imbernon, 2013). The New Partnership for Africa's Development has engaged in that direction with the launch of its new Rural Futures programme which aims at reconnecting rural and local development within a regional perspective for fostering Africa's structural transformation (NEPAD, 2010).

However, given that Africa had a short season of regional policies and that initiatives such as the Rural Futures programme are at their initial stage, one may ask: did governments at least improve those sectoral policies that have strong territorial impact, preparing the ground for a more strategic action at local and regional levels? The next section addresses two of the most relevant such policies in terms of territorial impact: infrastructure and decentralisation.

Infrastructure must be developed faster to reduce regional fragmentation

Infrastructure expansion is key to fostering regional development and spatial inclusion (AfDB, 2014). Development efforts have taken place in various sectors, with initiatives in the transportation sector and in information and communication technologies and energy policies.

In order to consolidate the numerous continental initiatives into one coherent scheme, the Programme for Infrastructure Development in Africa was established in 2010. It is led by the African Union Commission, the New Partnership for African Development Secretariat and the African Development Bank. Together they developed a vision and strategic framework for the three key sectors below.

The Africa Infrastructure Country Diagnostic (2011) estimates that addressing Africa's infrastructure needs will require USD 93 billion a year, and the funding gap stands at USD 31 billion a year (Foster and Briceño-Garmedia, 2010).⁶ Resource-rich countries can leverage on rents to finance these projects, but many governments, especially those in fragile states, may not be able to.

Transport networks can contribute to strengthening the connections between regions

In the transportation sector, efforts have focused on improving corridors, ports, railways and air transport. Transnational corridors have been expanded to connect the hinterland with international ports, such as the nine corridors within the Trans-African Highway project led by the United Nations Economic Commission for Africa, the African Development Bank and the African Union. Efforts have been made to reduce transit procedures, corruption and delays. The 44 countries that liberalised their air routes following the 1999 Yamoussoukro Decision have increased departure frequency by 40% compared to those governed by restrictive regimes (Abate, 2013). Overall, 60% of the



37 African countries reviewed by the World Bank's Logistic Performance Index improved their performance between 2010 and 2014.

Upgrading transport infrastructure for regional development remains a challenge. Centralised networks, where traffic connects to a few main hubs, have been established only in North and Southern Africa (Ranganathan and Foster, 2011). Operating and maintaining sub-Saharan Africa's existing transport infrastructure will require USD 9.4 billion a year, in addition to USD 8.8 billion a year in capital expenditure (Foster and Briceño-Garmendia, 2010: 7).

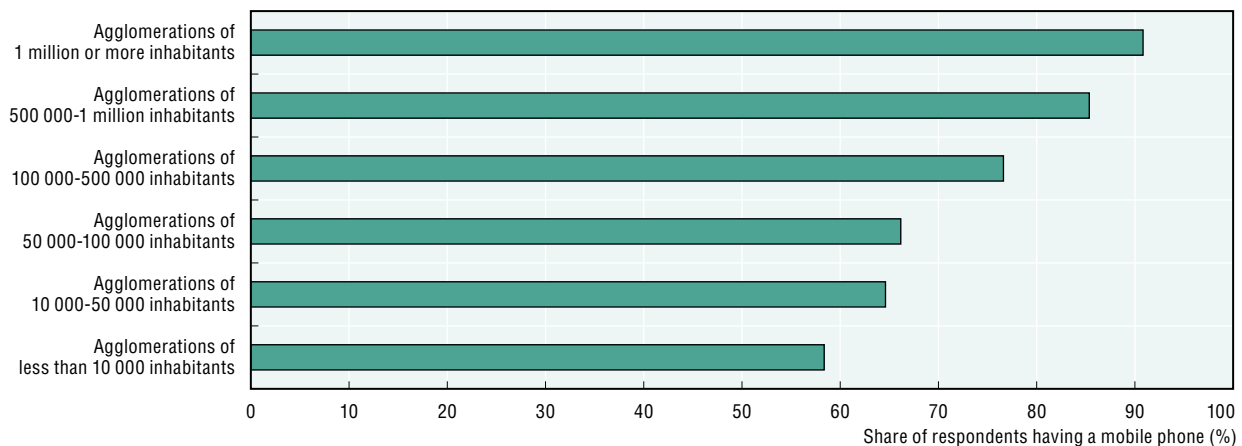
Information technology infrastructure has developed quickly

Africa's infrastructure for information and communication technologies has progressed rapidly (AfDB et al, 2009). Governments have signed international agreements to reduce roaming charges, including Kenya, Rwanda and Uganda in January 2015.

At the regional level, expanding broadband Internet access to landlocked countries remains the biggest challenge. It requires adding cross-border connections with coastal countries.

Access to mobile phones is comparable to that in other developing regions, although there is a large disparity between Africa's large urban agglomerations and its more dispersed areas. The continent is leading globally in the use of payment by mobile phone. Results from the Gallup Poll show that access to mobile phones typically decreases in less populated areas (Figure 2.2).

Figure 2.2. Access to mobile phones by population size of agglomerations in Africa



Source: Authors' calculations based on Gallup World Poll (2013).

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Despite a number of initiatives, energy co-operation remains limited

In the energy sector, countries developed transnational infrastructure in three main ways:

- **Energy interconnection programmes** aim to pool various energy markets in order to cut costs, equalise loads and increase stability through expanded market size. They include the Western Power Corridor electric interconnection between Angola, Botswana, the DRC, Namibia and South Africa; the West African Gas Pipeline



connecting Benin, Ghana, Nigeria and Togo; and the Benin-Ghana-Nigeria-Togo electricity interconnection.

- **Power pools** have emerged to make electricity more accessible to rural communities and co-ordinate the development of electric power. They are mainly in Southern and West Africa, as well as in the Common Market for Eastern and Southern Africa. COMESA, the Central Africa Power Pool and the *Comité Maghrébin de l'électricité* have set up common power grids and electric markets.
- The Economic Community of West African States (ECOWAS) and SADC have launched **capacity building and facilitation projects** for energy infrastructure. The Eastern African Power Pool and the Central African Power Pool are planning similar programmes.

Despite this progress, regional energy co-operation remains limited:

- Its **potential has been unequally tapped**. The Southern Africa Power Pool accounts for the majority of electricity trade in sub-Saharan Africa at 5.3 terawatt hours of electricity traded in 2012-13 (SAPP, 2013). South Africa exports enough energy to meet almost all of Botswana's demand and nearly half of Namibia's. Electric power trade is also growing between Côte d'Ivoire and Ghana, Kenya and Uganda, and Djibouti and Ethiopia.
- **Infrastructure for transmitting electric power remains underdeveloped** even in the Southern African power pools. In other regions, the restricted capacity to generate electricity and lack of financing prevent regional networks from expanding.
- **Lack of co-operation** among state utility companies severely hampers intra-regional electricity trade as it can affect the reliability of the supply, thus posing problems for the importing countries that depend on it (IEA, 2014: 180).
- **Political instability** threatens the development of infrastructure and necessitates better co-ordination among the energy-sharing countries to ensure supply. The West African Gas Pipeline to Benin, Ghana and Togo was closed for almost a year due to a pirate attack in 2012.

Box 2.4. Expanding electricity and water access to poor areas

Many African countries have successfully implemented plans to supply electricity to poor households and regions. For example, Côte d'Ivoire increased the share of its rural population that has access to electricity from 29% in 2012 to 37% in 2013 (AEO Country Note). Some countries, including Botswana, are experimenting with renewable energy sources such as solar to provide electricity to remote areas at lower cost. Nevertheless, there are concerns that countrywide programmes should be more inclusive: the richest income quintile captures about 45% of direct energy subsidies and the bottom quintile only receives 8% (IMF, 2013). Universal programmes that provide subsidies for utility usage only apply to users that already have access and exclude the poor in areas without coverage and those that cannot afford the connection charges.

Niger's *branchements sociaux* (social connections) programme begun in 2002 is an example of an African programme targeted for the poor. The programme subsidised water connection for eligible households in poor urban areas based on housing characteristics. The programme proved a success as take-up rates met the five-year plan's objectives in only a year and a half (Tsimpo and Wodon, 2009).

Other African countries such as Mozambique and Zambia are looking to replicate Brazil's "Light for Everyone" programme (see Chapter 3). The programme has waived the cost of installing electricity for poor consumers through subsidies from private companies and has allowed the government to expand energy supply to 15 million people throughout the country.



Political, administrative and fiscal decentralisation are evolving and hold the potential for promoting inclusive regional development

Better mobilising local resources to accelerate the structural transformation of African countries requires efficient and effective locally based policy making. The extent to which governance systems empower local stakeholders therefore matters for regional development and spatial inclusion.⁷ Most experts surveyed for the AEO view decentralisation as one of the policy areas with the largest potential to foster regional development.⁸ Indeed, decentralisation finds a large consensus, especially as a means to improve access to basic services (Ahmad et al., 2005). Decentralisation has different meanings: this report understands it as a process for empowering local actors, containing the rent-seeking behaviour of the elite and transferring powers and resources from the central government to lower levels.⁹ Effective decentralisation comprises three parts: political, administrative and fiscal. This section shows that, in most African countries, fiscal decentralisation has not been achieved to the same extent as political decentralisation, thereby limiting the potential of local communities to mobilise their economic potential.

Most central governments have adopted political decentralisation

Political decentralisation occurs mostly in the form of organising local elections and transferring responsibilities to local governments in order to hold local decision makers accountable (Elroy Africa, 2012: 18). In most countries, the number of subnational entities has grown substantially since the 1990s, and the whole territory is now organised into elected local authorities (Table 2.1). Political decentralisation has made huge progress since the 1990s. Of the few African countries that have not yet decentralised, most have plans to do so.¹⁰

Table 2.1. Important decentralisation landmarks in African policy making

1983	Nigeria introduces elected local governments and devolves major powers.
1986	Morocco implements a series of constitutional reforms empowering subnational governments.
1991	Ethiopia institutionalises a self-rule framework at the subnational level.
1995	Uganda's constitution and later Local Government Act (1997) enshrine decentralisation.
1996	Senegal passes a decentralisation law, comprising 434 local governments.
1996	South Africa's post-apartheid constitution puts municipalities at the heart of local development.
1998	Tanzania's Local Government Reform Agenda implements "decentralisation by devolution".
2000s	Benin (2002), Niger (2004) and Burundi (2005) hold their first local elections.
2010	Kenya decides in a referendum to elect districts.
2012	Liberia launches the National Policy on Decentralisation and Local Governance.

Administrative decentralisation refers to the relocation of administrative functions and executive responsibilities to lower levels of governance. Only South Africa and Uganda have high levels of administrative decentralisation; out of 30 African countries, 10 have a moderate level (Elroy Africa, 2012: 19). Togo, in particular, has not transferred responsibilities from the central to the local government, despite the legal status of administrative and financial autonomy (World Bank, 2015). Still, considerable progress on administrative decentralisation has been made in Africa: most countries have established a range of subnational administrative bodies in charge of planning, supporting, monitoring and administering public action (USAID, 2010).



Box 2.5. Decentralisation in Ethiopia

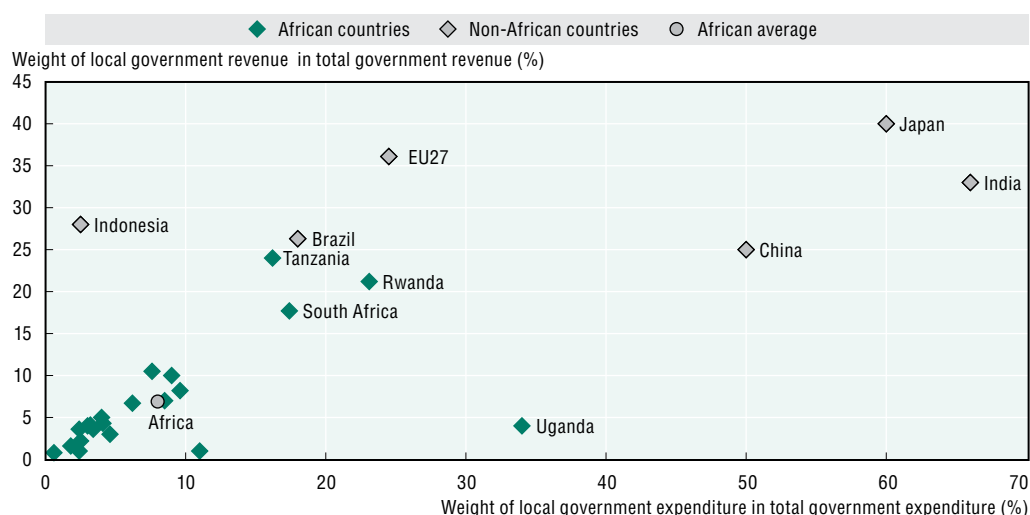
Ethiopia has successfully implemented political, administrative and fiscal decentralisation by devolving responsibilities to local governments (called *woredas*) and increasing their financial autonomy. Decentralisation has considerably improved local service delivery in education, water and health, especially in poor regions, despite the remaining capacity constraints of local governments. Collaboration with local organisations, such as parent-teacher associations, has helped adjust public services to local demand. For instance, using local languages in primary schools has improved school attendance (Garcia and Rajkumar, 2008: xv-xvi, 7-8).

Recent reforms have increased financial transparency and accountability. They have enabled the local population to hold governments accountable and monitor access to quality basic services with feedback to service providers. The joint-action plans were developed through meetings between government representatives and community members and significantly contributed to improving social indicators particularly of health, education, water and agriculture (AEO experts' survey, 2015).

Progress towards fiscal decentralisation is slow

Fiscal decentralisation is the transfer of financial resources and revenue-generating powers to subnational governments (Elroy Africa, 2012: 18ff). Local government revenues and expenditures are far below international averages. In Africa on average, the weight of local government revenue is 7% of the total revenue of the local, regional and national governments combined, and the weight of local expenditure is 8% of total expenditure (Figure 2.3).¹¹ At one end of the scale, local governments in Egypt, Mozambique and Togo represent less than 2% of total government revenues (Yatta, 2015: 14). At the other end, local governments in Rwanda, South Africa and Tanzania represent more than 16%.

Figure 2.3. Weight of local government in total government revenue and expenditure



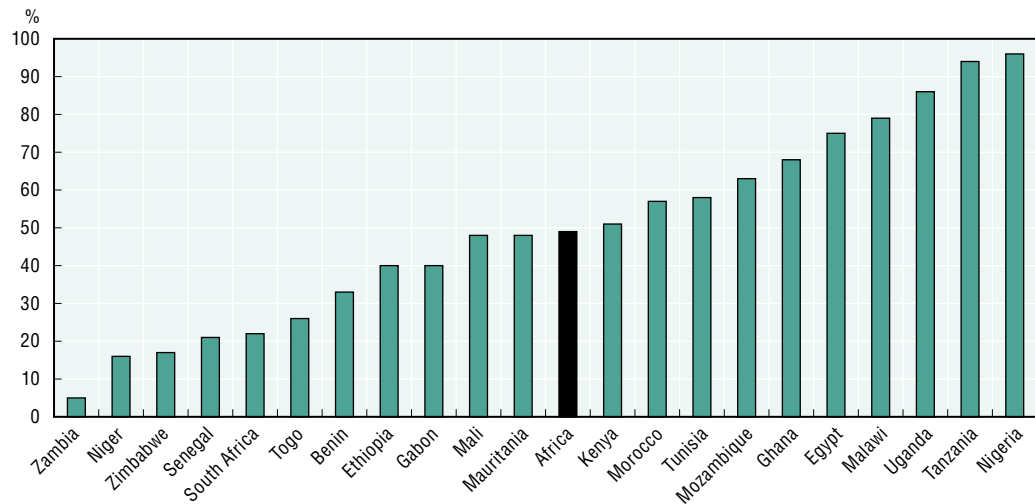
Note: Total government revenue and expenditure comprise those of all existing government levels, i.e. local, regional and national.

Source: UCLG (2010); Yatta (2015); Paulais (2012); IMF (2014).

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Figure 2.4. Central government transfers as a share of local revenues in selected African countries



Source: Yatta (2015); UCLG (2010).

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Limited fiscal decentralisation partly explains the dearth of investment in local economies. On average, an African mayor has roughly 1 000 times less resources than his or her European counterpart, in spite of more acute needs (Cour, 2015). Thus, local governments have little capacity to invest in local services and infrastructure, while most of the informal workforce relies heavily on local public investments to carry out their activities in public spaces, such as along roads or pavements.

In fact, most local governments depend heavily on central government transfers, which have generally been criticised for not being spatially progressive and for limiting the ability of local governments to invest efficiently (World Bank, 2009: 249; OECD, 2009). Local governments receive little from local and shared taxes, even in decentralised countries like Tanzania or Uganda and in federal countries like Nigeria (Figure 2.4). Local governments' lack of financial clout means that they do not have the capacity to optimise regional assets, secure local ownership, or implement multi-sectoral and place-based policies.

Better local governance also means more transparency. Transparent local governance boasts many advantages for regional development. They are independent from the different political systems – centralised or federal – and from the type of decentralisation that countries engage in:

- Enhancing local governance can improve co-ordination among levels of government, non-state actors and the international community, and therefore can help articulate sectoral policies (Demante and Tyminsky, 2008: 18).¹²
- Local governments often have better knowledge of local preferences and assets (Yatta, 2015: 12).¹³
- Local governance can include local civil society organisations and traditional as well as new leaders, which is essential for vibrant democratic governance and for enabling effective policy implementation in an African context (Sy, 2009). A more participatory authority structure could manage conflicts better, as it favours consensual decision making, which is likely to enhance accessibility and participation (Logan, 2011: 4; Sy, 2009). In an Afrobarometer survey of 16 countries, 46% of the respondents consider community leaders as receptive to the populations'



needs, whereas only 30% consider local government councillors receptive and 20% members of parliament. Of those surveyed, 50% perceive traditional leaders as having some or a great deal of influence in governing local communities, and 57% believe that their influence should increase (Afrobarometer, 2008).¹⁴

Lack of local capacity and transparency are the main challenges to decentralised governance. Corruption is a universal problem, and local officials seem particularly susceptible to it (Paulais; 2012: 40). Constituents in rural and poor urban districts lack the education and capacity necessary to access and influence district councillors (Cabral, 2011: 8; Koelbe and Siddle, 2012; Yatta, 2015: 12). In the absence of adequate accountability mechanisms, elites can use local elections to maintain their families' stronghold on power. In Sierra Leone, a variety of development outcomes are lower in places where traditional ruling families have captured resources (Acemoglu, Reed and Robinson, 2013).

Box 2.6. The main actors of decentralisation and local and urban development in Africa

Africa Governance Institute (AGI). Developed out of discussions between the AU Commission and the UNDP Regional Bureau for Africa, it is a centre for dialogue to promote good governance in Africa. Based in Senegal, it organises meetings and publishes research findings.

African Ministerial Council on Housing and Urban Development (AMCHUD). It was set up in 2005 in Durban as a consultative mechanism to promote the sustainable development of human settlements under the wing of the African Union (AU). AMCHUD gathers together African housing and urban development ministers and deals with urbanisation, access to basic local public services, spatial planning, climate-change and economic development.

Africities. This group organises summits attended by local actors and their international partners, including ministers of local government, local authorities and elected officials, central governments, civil society organisations, researchers and representatives from the private sector. Africities has held six summits since it was founded: in Abidjan (1998), Windhoek (2000), Yaoundé (2003), Nairobi (2006), Marrakesh (2009) and Dakar (2012). The Dakar summit on Building Africa Starting from its Territories drew some 5 000 participants.

All Africa Ministerial Conference on Decentralisation and Local Development (AMCOD). It brings together African ministers of decentralisation and local development. AMCOD was set up at the second Africities Summit and has been recognised as a special technical committee of the AU since 2007. The African Day of Decentralisation and Local Development is marked in all AU member states under the auspices of AMCOD since 2011.

Alliance for Rebuilding Governance in Africa (ARGA). Grown out of the 2003 Dialogues on Governance in Africa: Decentralisation and Regional Integration network, it stimulates discussions between African and non-African actors about public affairs management and governance, through exchanges, action groups and themed workshops.

Commonwealth Local Government Forum (CLGF). Set up in 1995, it includes decentralisation and local government ministries and the local governments themselves from 53 English-speaking countries. It promotes decentralisation through capacity-building, peer-learning, sharing information and experience, and research on implementing decentralisation in Africa.

Global Local Forum (GLF). Founded in 2008 as a think-tank to help mutual development between territories, it has 32 member-states worldwide, many of them in Africa. It aims to bring together and encourage the exchange of ideas on regional development to shape international development aid and dialogue between territories.

International Association of Francophone Mayors (AIMF). Founded in 1979 as a network of local Francophone towns and their associations based on shared values, this association promotes better governance of towns and the exchange of experience, mobilises Francophone regional planning expertise, and funds development projects. Most African capitals and big towns in Francophone countries are involved.



Box 2.6. The main actors of decentralisation and local and urban development in Africa (cont.)

United Cities and Local Governments in Africa (UCLGA). This African branch of the worldwide United Cities and Local Governments (UCLG) was founded in 2005 with the purpose of building “African unity from and driving African development through the grassroots.” Every two to three years, it organises the Africities Summit.

The prevalence of policy blind spots hinders effective development strategies and calls for new action

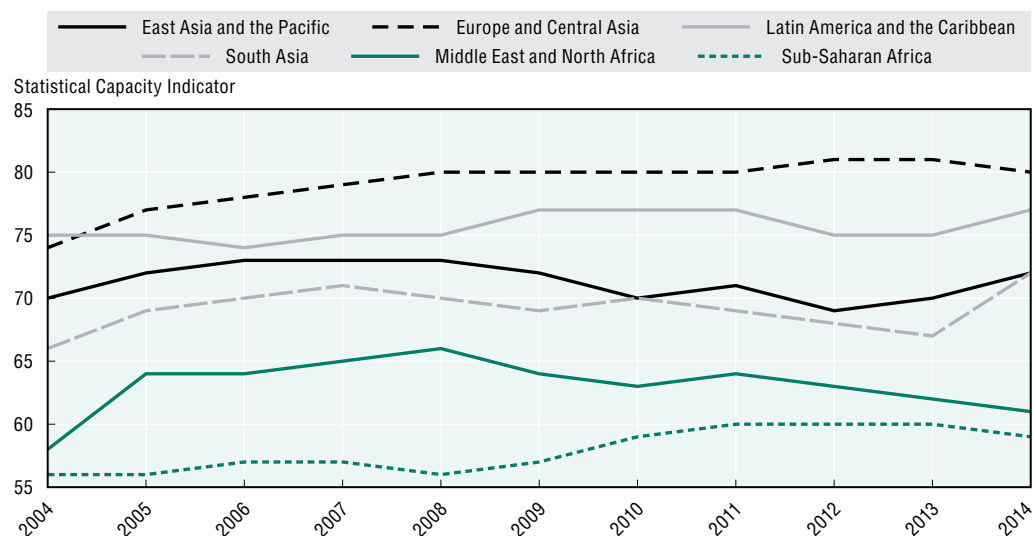
Regional policy instruments, infrastructure development and decentralisation have spurred both successes and failures in promoting regional development. They can and must be made more effective, for instance by adopting a coherent policy framework for regional policies, by co-ordinating key sectoral policies with those regional policies, and by designing more participatory strategies that take into account the multiple dimensions of local practices and development perspectives. The road towards more effective development strategies is a long one, however. It is therefore important to build and use scoreboards. Statistics and knowledge about regions are still too inadequate to enable decision makers to grasp Africa’s fast-changing regional dynamics captured in Chapter 1.

Inadequate statistics hamper policy making

Limitations of national and subnational statistics

Governments often lack adequate statistics and knowledge of their regional economies, and suitable government action is impossible without a “policy of large numbers” (Desrosières, 2000). In particular, sub-Saharan Africa’s statistical infrastructure, although it has improved in recent years, trails behind other regions (Figure 2.5). Djibouti’s, Liberia’s and Togo’s first censuses in three decades have, among others, prompted the call for an African “statistical renaissance” (Kiregyera, 2013).

Figure 2.5. Statistical capacity of developing countries in certain regions, 2004-14



Source: World Bank (2014).

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Despite progress, statistics often remain limited and unreliable, whether based on censuses, gross domestic product (GDP) or administrative records. Some experts continue to refer to Africa's "statistical tragedy" (Devarajan, 2013; Jerven, 2013). Delays in collecting and treating data significantly reduce reliability. Over the past 30 years, 7 countries have not conducted any population and housing census, and 19 countries have failed to take a census regularly every 10 years (UN, 2010). The mean time for completing GDP numbers in sub-Saharan Africa is about one and a half years (AGNA, 2013: 4). Other basic administrative records are missing; for example, 56% of children under five in sub-Saharan Africa do not have birth certificates (UNICEF, 2013: 15).

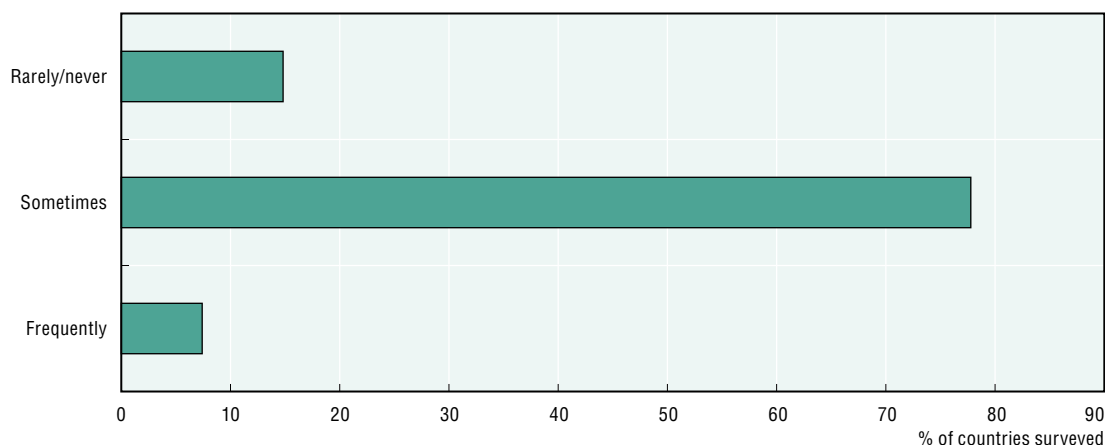
Subnational statistics are limited to a few basic variables which are insufficient to understand regional economies. To a large extent, only censuses, household surveys, agricultural surveys, and civil registration and vital statistics collect subnational data. Owing to limited budgets, low capacity and an overload of duties, most national statistical offices cannot build subnational statistics in addition to national datasets. Funding by international organisations usually gives priority to internationally comparable data, but the definitions of concepts and units of analysis are often problematic at the subnational level. For example, data on agricultural holdings do not cover individuals, particularly landless farmers. Countries often use different estimation methods, thus limiting comparability. Finally, the focus of international organisations shifts according to evolving international agendas, e.g. poverty reduction, climate change or inequality, making it difficult to keep a stable base of core indicators.¹⁵

Statistical blind spots

Statistical limitations obscure the scope of income, household and agricultural activities in rural areas. Many case studies of rural dynamics, agrarian systems and family farms exist, but statistics about rural income are rarer. Data systems mainly concern agricultural production and not agricultural household activities. Surveys by the World Bank as part of its anti-poverty Living Standards Measurement Study (LSMS) deal merely with a few countries. The surveys mostly focus on household spending rather than income and often look at urban households rather than rural ones. Only the Food and Agriculture Organization and World Bank RIGA survey looks specifically at rural income generation (Carletto et al., 2007). However, it only concerns six African countries.¹⁶ Rural household surveys conducted in 2008 by the RuralStruc programme in North Africa and several parts of sub-Saharan Africa showed that agricultural activity was strong and diversification widespread, with a few regional exceptions. However, they also revealed the low returns of many non-farm activities (Losch, Fréguin-Gresh and White, 2012).

As a result of such limitations, national policy makers rarely use rural and urban statistics (Figure 2.6).

Figure 2.6. Frequency of rural or urban statistics used for policy making



Source: AEO experts' survey, 2015.

StatLink <http://dx.doi.org/10.1787/888933207053>



Statistics may overlook entire groups within a population and sectors of the economy. Remote areas are sometimes left out due to limited budgets and are thus underrepresented in national statistics. National statistical surveys overlook the informal sector, although it usually accounts for more than three-quarters of the economy (UNECA, 2014; Kratke and Byiers, 2014).

Incomplete representation of disadvantaged groups can significantly affect their well-being. Census numbers in Nigeria, for example, guide political redistricting and budget allocations for food, education, health, housing and welfare among others (Bamgbose, 2009). Little is known about disadvantaged groups in unstable areas such as the Central African Republic, Eastern DRC, the Horn of Africa, Libya, Mali and northern Nigeria, although population growth makes the need to better understand those regions ever more pressing. This is also the case in the “uncontrolled zones” in West Africa, associated with jihadist terrorism and arms smuggling from the Libyan crisis. The threats from Boko Haram are disrupting the old regional dynamics from the interior of the continent to the coast, including the pastoral areas that are so important for several countries (Box 2.7).

Box 2.7. What future for pastoral spaces?

The great Saharan-Sahelian spaces shared with North Africa, from Mauritania to Somalia, are arid regions with unreliable and scattered resources suitable only for livestock transhumance. While data on the pastoral economy is limited, this sector is known to be significant in terms of GDP, tax revenue and export earnings in countries such as Ethiopia, Niger and Sudan (Hesse and MacGregor, 2006). It is also an important component of regional trade.

Unfortunately, threats to pastoral areas are numerous. Population increase, pressures to the land, and economic and political shocks endanger the way of life and knowledge of herders. Moreover many violent and extremist groups are destabilising the Sahara and the Sahel with arms trafficking.

Regional conferences held in Ndjamen and Nouakchott in 2013 emphasised the importance of pastoral areas. They promoted cattle-raising as a focus of development strategies because it ensures a regular presence in remote areas. Decentralisation was declared a priority, with the aim of fully integrating both mobile and sedentary pastoral groups into the economies, territorial governance and the public debate (SWAC/OECD/AFD, 2013).

Filling the information gap on local economies

A number of initiatives aim to fill the gap in information on local economies. The OECD Club du Sahel and the Partnership for Municipal Development (PDM) developed the ECOLOC programme (*Relance des économies locales en Afrique de l'Ouest*) in 1997 to understand both urban and rural economies and how they evolve; ECOLOC uses a demo-economic approach and involves 22 West African towns and their hinterlands.¹⁷ Burkina Faso took ECOLOC to a national level in 2002 through its Reviving Local Economies Programme. When the PDM restructured in 2007, becoming part of the United Cities and Local Governments of Africa organisation, similar initiatives spread to Swaziland and Tanzania. However, limited funding has restricted ECOLOC's further development, despite the need to better understand local specificities.

The *West Africa Long-Term Perspective Study* (WALTPS) was published in 1998 by the OECD Club du Sahel and co-funded by the European Commission, the World Bank and the African Development Bank (Cour and Snrech, 1998). The study's aim was to identify major lasting trends in the context of the recession that hit sub-Saharan Africa during the 1980s and following the 1989 World Bank report *Sub-Saharan Africa: From Crisis to Sustainable Growth: A Long-Term Perspective Study*. Instead of adopting a sectoral approach (such as health, environment or industry), WALTPS focused on the region's human geography, i.e. the relationship between West Africans and their natural environment.¹⁸



Regional development policies need to be integrated into development strategies

While boasting a number of outright successes, the above review shows that policies aiming to tackle regional disparities and foster spatial inclusion in Africa have encountered three main obstacles: they have suffered from institutional and capacity defects, they have been too slow at connecting regions with one another, and they have yet to empower local stakeholders in a meaningful way.

More fundamentally, the evidence gathered in this chapter also confirms the observation made in the previous one: by strictly segmenting their efforts to promote development according to economic sectors, policy makers in central governments tend to ignore fast changing regional dynamics, a problem compounded by inadequate regional statistics and knowledge. And by resorting mostly to top-down approaches, they prevent private and public agents at local level from uncovering and exploiting the economic potential of their regions. In the end, countries are ill-equipped to tackle the challenges of structural transformation as a multi-sectoral and place-based process and to tap the potential of their new demographic and spatial dynamics.

Putting people and places at the heart of structural transformation therefore requires more than dedicated policies such as those analysed above. It requires innovative development strategies that use a place-based approach to articulate those various sectoral policies and that empower local agents to tap the potential of regions. The next chapter will focus on solutions.



Notes

1. Some examples of recent SEZs are in Angola and Mauritania. Angola is establishing several industrial SEZs such as Luanda-Bengo, the industrial-mining area of Cassingo and the agro-industrial zones of Pungo a Dongo. The government provides tax incentives for investments in the non-oil sectors, with more concessions for investments in lagging regions. In contrast with export-oriented SEZs, Angola initially focused on domestic production due to domestic market shortage (ANGOP, 2012). In January 2013, Mauritania created the Nouadhibou SEZ, an exclusive economic zone running 230 000 km² and boasting a potential of 1.5 million tons of fish per year (AEO Country Note).
2. Current examples include Gabon and Kenya. In Gabon, the 2015 *Plan Stratégique Gabon Émergent* outlines the creation of ten poles of growth based on the competitive advantages of each region. Ten industrial clusters seek to promote balanced regional development and diversify the economy into hydrocarbons, mining and forestry-wood, agriculture, and agro-industry (AEO Country Note). Kenya is investing USD 14.5 billion to develop an ICT industrial cluster in Kona. The plan shows the government's ambition to cement its place as an ICT powerhouse in the region.
3. For instance, the neglect of infrastructure development in northern Côte d'Ivoire may have in part contributed to the partition of the country between its northern and southern regions between 2002 and 2011.
4. Senegambia and the Maradi-Katsina-Kano development corridor (MKK) are also worth mentioning.
5. In South Africa, it was found that the Department of Transport's subsidies to public transportation were at odds with the Department of Housing's funding systems, which funded large-scale housing projects on cheap, remote land. Hence, disadvantaged people had to engage in long commutes from areas outside the public transit grid (OECD, 2008).
6. This includes USD 60 billion a year in capital expenditure and USD 33 billion a year in operation and maintenance. Areas of infrastructure cover ICT, irrigation, power, transport, water and sanitation.
7. Governance refers to the set of formal and informal rules that govern decision making and policy implementation. Multi-level governance specifically refers to the co-ordination between the supranational, national, meso and local levels of governance. It encompasses the different levels of public, private and non-state actors – such as civil society organisations, traditional leaders and the private sector –, as well as the different levels of government that are directly or indirectly involved in policy making.
8. Effective decentralisation should promote local governance following the subsidiarity principle: a higher level of government should not take action that is more effective if taken at a lower level. Subsidiarity ensures that decisions are taken as closely as possible to the citizen. It preserves transparency thanks to checks and balances at different levels of governance. The subsidiarity principle can guide decentralisation in all kinds of political systems, whether centralised or federal states.
9. Different degrees of decentralisation include the following:
 - Deconcentration (or administrative decentralisation) relocates the execution of administrative functions to lower levels of governance. Decision-making power remains with the central government.
 - Delegation is the transfer of certain responsibilities from the central government to lower levels of governance. Delegation involves more autonomy from the central government than deconcentration.
 - Devolution (or political decentralisation) means that devolved responsibilities are decided, implemented and financed by lower levels of government, resting largely outside the direct control of central government.
10. In January 2012, Liberia launched a National Policy on Decentralisation and Local Governance, which has not been fully implemented due to the question of the mayor's direct election (Fallah, 2014).
11. The degree of fiscal decentralisation can be measured as the share of subnational expenditure in all governments' expenditure (Charbit, 2006: 2).
12. Centrally designed programmes have known limitations, such as Mali's PRODEC education programme and PRODESS health programme and Benin's *Hydraulique, santé et éducation* programme.
13. In Benin, Guinea and Mali, decentralisation of primary health care services to locally elected health committees – and in Mozambique to local government – has contributed to improving immunisation rates and reducing infant mortality by increasing access to affordable health services (Mehrotra, 2006). A similar programme in Burkina Faso to administratively decentralise education has increased student outcome and teachers' motivation, even if their pay was lower than the traditional salary (Ngaruko, 2003: 137f).



14. The sample includes Botswana, Cabo Verde, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, Namibia, Nigeria, Senegal, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.
15. The World Development Indicators, for instance, stopped displaying data on employment in agriculture, while the database has expanded from 400 indicators in 2001 to about 1 300 in 2015.
16. The Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS – ISA), launched in 2009 to investigate agricultural incomes in seven African countries, will progressively provide a useful knowledge base.
17. The programme used local social accountability matrixes, linked to national ones and backed by grassroots surveys. Spatialisation is done on three analytical levels: regional space between towns and hinterland, local rural space, and urban centres. It incorporates strategies of local actors (government, local authorities, private operators, civil society groups and donors), along with their financial, social and religious resources, as well as strategies of co-operation and co-ordination bodies (SWAC/PDM, 2001; Yatta, 2006; SWAC/OECD, 2013).
18. The main aim of the study was to highlight (a) the long-term interactions between settlement dynamics, i.e. the growth and the redistribution of the population within each country and across the region, and economic and social processes and (b) the evolution in the subregion of four interlocking factors: population, spatial settlement, market dynamics, and social and political change.



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Chapter 3

Towards place-based, multi-sectoral development strategies in Africa

Adopting a place-based approach will help policy makers articulate sectoral policies more effectively for structural transformation. This chapter proposes a seven-step methodology to crafting development strategies, stressing four main areas of improvement: designing informed policies through better statistics; defining integrated strategic priorities through regional foresight studies; building capacity at multiple levels of government; and mobilising adequate financing for regional economic development at both local and national levels.



In brief

Given the limited outcomes of specific regional development and spatial inclusion policies in Africa so far, new approaches are needed by all government levels, aiming at the medium to long term. Africa's mounting and diverse demographic and spatial challenges demand that people and places be at the centre of development strategies, where sectoral policies are articulated. Those place-based strategies should take a closer look at subnational and cross-border levels, where the untapped economic potential of African regions lies; and they must be designed and carried out with the participation of regional economic and social stakeholders, who are best placed to identify and activate local resources. Development strategies will necessarily be specific to each country and combine different approaches, depending on the various economic, demographic and spatial challenges. For nearly all countries though, financing regional development requires drastically increasing efforts to mobilise domestic resources at the national level and enhancing fiscal legitimacy at local levels.

The strategic process must be redefined to promote regional development and spatial inclusion

The nature and magnitude of Africa's structural transformation challenge call for more than dedicated spatial policies: regional development strategies need rethinking. A more comprehensive approach by all government levels is needed to unlock the potential of a country's many places.

A development strategy is a public good and therefore needs public support. It "takes as its core objective development, the transformation of society" (Stiglitz, 1998). It goes beyond economics and connects policy making with **visions** of the future shared by stakeholders and constituents. It entails a process of defining **priorities** based on those visions. Unlike indicative planning, a development strategy is not aimed at making reality fit into such visions, rather at guiding thinking and longer-term investments in a context of uncertainty (ibid.).

Development strategies should thus be more than a collection of sectoral policies: this report argues that they should provide an overarching framework for balancing sectoral policies, macroeconomic policies and place-based policies.

Indeed, Chapter 2 showed that regional policies in African countries resulted in uncoordinated action, and they have tended to target specific places separately. Regional policies have mostly been designed and implemented by central governments, using central resources, sometimes in pursuit of the interests of specific groups. Therefore, they have not promoted a country's full potential because they have neglected places with less obvious economic prospects and with organised vested interests. Even if those policies were made more efficient, with more resources and capacity, they would not be comprehensive enough to remedy the consequences of inherited spatial asymmetries and accelerate the structural transformation of African economies. Cities are booming, rural areas keep growing and changing fast, and yet a large part of the potential that could provide the much needed economic and social opportunities for new generations remains locked in regions, under the radar of central governments.

This section stresses that traditional approaches to regional development in African countries ought to be revised, before proposing concrete steps towards devising region-sensitive development strategies.



Place-based and participatory approaches can unlock the potential of regions

Opportunities for growth in African regions too often go unseen, partly because of the long-standing policy focus on external economic rents such as commodity-related export revenues or aid (see Chapter 1 and policy blind-spots (see Chapter 2). The potential for regional growth to boost national growth – by mobilising specific local assets and improving attractiveness for foreign direct investment – is thus insufficiently tapped.

Examples of successful regional development are found in countries at various stages of development (see Boxes 3.1 on China, 3.2 on OECD countries and 3.5 on Brazil). Quoting the World Bank (1997), Stiglitz (1998) points to “one measure of China’s success in devising a strategy: if the separate provinces of China were treated as separate ‘data’ points, the 20 fastest-growing economies in the world between 1978 and 1995 would all have been Chinese”. This is in stark contrast with Africa, where development remains largely concentrated in big, coastal cities (see Annex 6.A3).

Box 3.1. China’s strategy and regional development

China developed several strategies for regional development that have helped the country tackle its demographic transition and strengthen the links between its urban and rural areas, thus accelerating structural transformation.

China’s numerous plans to promote regional development include more than the well-known special economic zones (SEZs). SEZs were trialled in the late 1970s by China’s State Council in four remote southern cities. By 2008, after four successive waves of grants, 92% of China’s municipalities had a special economic zone. Early projects increased productivity and local wages, while only moderately raising the cost of living and hardly affecting housing prices. However, zones developed later tended to distort location choice of foreign direct investments and resulted in smaller wage increases. China has promoted SEZs in Algeria, Egypt, Ethiopia, Mauritius, Nigeria and Zambia, with varying degrees of success (Bräutigam and Tang, 2014; see Chapter 2).

Since 1999, the Chinese national government has launched three development strategies to boost regional economies: China Western Development, the Northeast Area Revitalisation Plan and the Rise of Central China Plan. In 2008, the National Development and Reform Commission devised a “Catalogue of Encouraged Industries for Foreign Investment in Central and Western China”. This catalogue gives specific industries tax-related, land-use and other incentives to invest in specific provinces, in order to make local competitive advantages more attractive and match them with a targeted industry’s technological requirements. However, questions are raised regarding transparency, the business environment and the regions’ capacity to attract foreign investment (Huang, Joie and Sullivan, 2010).

In 2011, China undertook its 12th Five-Year Plan to expand the market area from the coast inland. It foresees a network connecting urban areas to various regions through development corridors. The plan adopts a multi-scale approach by promoting local development within the cities, linking cities to their hinterlands and connecting the different provinces to each other (National People’s Congress of China, 2011).

Based on the lessons of regional development in several countries (Box 3.2), new models are emerging that may provide guidance for remedying the pitfalls of past regional policies in African countries (Table 3.1). Top-down, subsidy-based interventions aiming to temporarily alleviate regional inequalities must give way to a broader family of policies increasing regional competitiveness and mobilising untapped resources. Instead of assuming that all regions have the same growth path, this new approach



recognises that they all have resources they can mobilise, although of different natures and on different scales, to participate in the development of the country. The aim should be to avoid building “cathedrals in the desert” with major exogenously defined investments but rather to entice private local and external actors to make the most of regional resources and attractiveness. The new paradigm of regional development thus has the following characteristics:

- a multidimensional, long-term strategy covering a wide range of factors that directly and indirectly affect the performance of local businesses and attractiveness to foreign investors
- a focus on endogenous assets, among other things as the basis to attract and mobilise exogenous investments
- an emphasis on opportunity rather than on disadvantage
- a participatory multi-level government approach, involving national, regional and local governments plus other stakeholders, with the central government playing a convener role.

Table 3.1. Old and new paradigms of regional policy

	Old paradigm	New paradigm
Objectives	To compensate temporarily for disadvantages due to the location of lagging regions	To tap underutilised potential in all regions, enhancing regional competitiveness
Strategies	Sectoral approach	Integrated development projects
Tools	Subsidies and state aids	Mix of soft and hard capital (capital stock, labour market, business environment, social capital and networks)
Actors	Central government	Different levels of government

Source: Based on OECD (2009a).

Box 3.2. Stylised facts of regional development policy in OECD countries

The OECD envisions regional development policy as a way to promote economic growth without compromising social inclusion or environmental sustainability. Since the 1990s, the OECD’s territorial policy reviews have provided key lessons based on evidence from its member countries:

- Opportunities for growth exist everywhere. While large populated centres tend to have higher levels of productivity and GDP per capita, some rural regions grow faster than urban hubs (OECD, 2009b).
- Factors driving regional growth tend to reinforce one another. For instance, improving infrastructure can have positive effects on growth when combined with human capital accumulation and regional innovation (OECD, 2009b). Multi-sectoral approaches are essential to regional development.
- A well-defined framework for regional policy can reach multiple objectives, reduce policy trade-offs and identify policy complementarities. To obtain multi-sectoral policy outcomes, regional policies must i) consider the assets of a specific place when designing strategies, and ii) co-ordinate the different sectoral policies affecting that place (OECD, 2011). Regional policies may be better suited for identifying complementarities between policies, because outcomes are usually more evident at the local level. National output can be maximised by tapping underutilised potential and focusing on endogenous assets, rather than on exogenous investments and transfers (OECD, 2009b).
- Policy makers should identify the relevant place for policy interventions. Interventions should not necessarily correspond to administrative boundaries. For example, catchment regions for providing health services might not coincide with those for education. The priority should be to generate data, tools and institutions that promote vertical and horizontal co-ordination at different scales, instead of adding additional layers of government (OECD, 2014a).



The reasons for adopting a new paradigm are many. Three are particularly worth stressing. The first has to do with asymmetry in information and knowledge between different national and local actors, which raises the need for opportunities and incentives to engage different actors in multi-level government settings. The second reason is related to the nature of products that, because of Africa's asymmetric regional development (see Chapter 1), may represent untapped resources for development. Often these regional resources are specific, e.g. cultural heritage, the rural landscape and human resources, and can be “activated” when they are used and get a market value (Box 3.3). The third reason is that different public investments have complementarities and trade-offs that come with the place where they are located.

Box 3.3. Regional development and the process of activating “specific resources”

Generic resources, such as non-qualified labour force and raw materials, are independent from the particularities of the place where they are located. For those to translate into integrated development, however, backwards and forwards linkages often need to be established with the local economy and neighbouring regions.¹ In the case of Botswana's diamond production, the country used its bargaining power as a major world producer to promote forward linkages. Together with the leading firm De Beers, the country set up a 50-50 joint venture to control diamond supply, releasing a specified quantity to local manufacturing companies for cutting and polishing. The venture contributes to creating employment by setting targets for training domestic workers. Penalties for non-performance mean that incentives for De Beers correspond with national interests (AfDB et al., 2013).

By contrast, **specific resources** stem from specific features of places and must be activated through the common strategy of local stakeholders. They depend on the local economic, social and institutional conditions where they are produced. Before resources can be activated, they must be assessed and recognised. This is a challenge because knowledge about land use in particular is limited in most African countries, and statistics are often rough estimates or based on land surveys which are limited in size (Kiregyera, 2013). One way to “activate” specific resources is to use and develop designations of origin. Examples include Algeria's dry figs from Béni Maouche and Béni Khedache in Tunisia (Table 3.2).² Such products can then be used to develop local assets and diversify regional economies, for instance through tourism (Campagne and Pecqueur, 2014).

Table 3.2. Examples of specific resources activated through the participation of local stakeholders

Specific local resources	Country	Development outcome
Dry figs from Béni Maouche Pepper from Ighil Ali	Algeria	Productivity increase, added value to product, income increase
White pepper (IGP3*) from Penja	Cameroon	Profit rate increase, income increase, product protection
Dry figs and weaving from Béni Khedache	Tunisia	Commercialisation and valorisation of the product, income increase
Fine garments	Madagascar	Massive creation of employment, industrialisation, exportation increase
Regional Park W's natural and cultural endowments	Benin, Burkina Faso, Niger, Nigeria	Ecotourism, cultural tourism, tree-planting using indigenous species, processing of goods made from natural resources
Tedla's landscape heritage	Morocco	Ecotourism, employment creation as local tour guides

Note: *IGP stands for *Indications Géographiques Protégées*.

Source: AFD/CIRAD (2014); Campagne and Pecqueur (2014); Fukunishi and Ramiarison (2012); SWAC/OECD (2005).

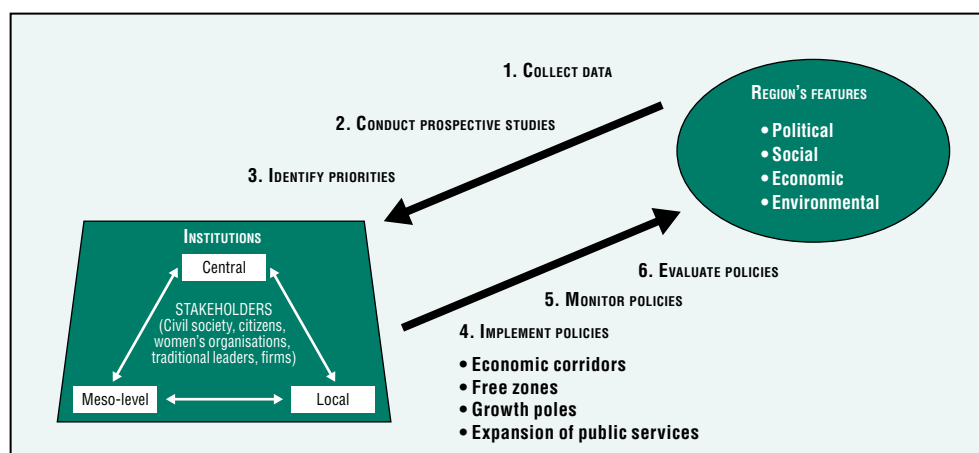


Seven main steps can guide the formulation of regional development strategies

Seven main steps should guide the formulation of regional development strategies. Based on those steps, Figure 3.1 suggests a multi-dimensional and participative method for devising a strategy for regional development and activating local assets:

- Stakeholders and traditional institutions collect reliable data, including statistics, to obtain the most knowledge possible about the region. However, a dearth of data should not prevent the process from continuing.
- Scenarios for the region's future are laid out through foresight studies and participatory processes, taking into account uncertainties related to missing data (see below). This leads to building a vision for the country's future based on local potential and opportunities.
- Based on the scenarios and the economic, demographic and spatial conditions underpinning them, stakeholders and government identify integrated priorities and spell out multi-annual policies for meeting them. The priorities are those that contribute the most to the country's long-term development strategy.
- Multiple levels of government, civil society and traditional institutions implement these policies, particularly as they participate in the scenario planning, priority setting and policy design steps. They co-ordinate their actions and use formal and informal checks and balances to ensure transparency (see Box 3.6).
- Policy implementation is monitored according to the key priorities. A pre-defined incentives framework ensures that the various levels of government responsible for implementing those policies are rewarded or penalised based on their achieving specific goals.
- Policy outcomes are evaluated to enable the various levels of government to address inefficiencies, adjust their multi-annual plans and, if outcomes are not met, reassess and redefine their vision and priorities.
- Fiscal revenues are used to support the overall strategy (not represented on the figure below).

Figure 3.1. A strategic process for regional development



Four aspects deserve particular attention, i.e. creating mechanisms to inform policy design and implementation, defining integrated strategic priorities through regional foresight studies, building capacity at multiple levels of government and scaling up resources for multi-level governance.



Better data will help improve mechanisms to inform policy design and implementation

Putting in place mechanisms for building and carrying out better-informed policies will help policy makers understand the specificities of regions and adopt timely measures as the needs of their jurisdictions evolve. An evidence-based culture of policy making also helps set targets and track progress in public sector performance. The Post-2015 Development Agenda has emphasised the need to gather more nationally relevant data. Goal 17 in particular sets out an ambitious roadmap for Least Developed Countries and Small Island Developing States to enhance the national availability of high-quality, timely and reliable data by 2020. By 2030, developing countries aim to collect their own sustainable development statistics, including disaggregated and geo-referenced data (PARIS21, 2015). Although efforts to improve statistical capacity have been significant, designing regional development strategies requires improving the quality of subnational data further through i) greater co-ordination among statistical agencies and ministries,³ ii) adopting cost-efficient and innovative methods for collecting and processing evidence, iii) sharing statistics and other information more widely among stakeholders and iv) improving available information on economic competitiveness and on the quality of life in different regions, and by v) combining official statistics with other sources of data (Box 3.4). Giving citizens access to official statistics can stimulate a democratic debate on public policy and increase accountability.⁴

Box 3.4. Defining functional urban areas

“The OECD, in collaboration with the European Commission and Eurostat, has developed a methodology for defining urban areas as functional economic places in a consistent way across countries. [...] The methodology consists of three main steps:

- Identification of contiguous densely inhabited urban cores. [...] Population grid data at 1 km² are used to define urban cores, [which are] made up of contiguous municipalities that have more than 50% of their populations living within “high density” cells. This use of population grid data to identify urban cores compensates for the fact that traditional administrative units are unevenly sized and vary greatly within and between countries.
- Identification of interconnected urban cores that are part of the same functional area. [...] Two urban cores are considered part of the same polycentric functional urban area if more than 15% of the population of any of the cores commutes to work in the other core. In countries where commuting distances are steadily increasing, large urban areas are developing in a polycentric way, hosting highly densely inhabited cores that are physically separated but economically integrated.
- Definition of the outlying area or hinterland of the functional urban area, linked by commuting flows to the urban cores. [...] Any municipality that has at least 15% of its employed residents working in a certain urban core is considered part of the same functional urban area. [...]

This methodology has clear advantages over the use of administrative regions to identify urban areas:

- It captures a city’s socio-economic area of influence. [...]
- [I]t identifies all of a country’s urban systems with a population of at least 50 000, thus enabling analysis of urban areas of different sizes, including small and medium-sized urban areas.
- It enables the identification of polycentric urban areas, which better illustrates the economic and geographic organisation of urban areas and the linkages between such places.
- It allows the analysis of different patterns of urban development of the cores and surrounding municipalities (‘hinterlands’) of each urban area.



Box 3.4. Defining functional urban areas (cont.)

- It provides a sound analytical base to examine governance challenges and the economic development of functional urban areas.” (OECD, 2013a)

In Africa, the Africapolis study uses “a geostatistical approach that combines demographic surveys and geographic information systems” (GIS) to identify urban areas and estimate urban growth in 16 West African countries (AFD et al., 2009). The method involves seven steps:

- 1) localising the population
- 2) “accessing satellite images or topographical maps”
- 3) creating polygons that represent the considered built-up areas
- 4) “creating buffer zones of 100 metres
- 5) merging blocks
- 6) cleaning up”
- 7) making statistical adjustments (AFD et al., 2009).

Among other advantages, Africapolis provides data at several geographical scales; enables methodological steps to be verified; is compatible with any Global Positioning System (GPS) and provides urbanisation data to regions that crucially need it.

Source: OECD, 2013a; AFD et al., 2009.

Integrating geographical information systems (IGIS) into statistics can help policy makers adopt place-based approaches more easily. In many countries, regional policy analysis has traditionally used data collected for administrative regions, that is, the regional boundaries as organised by governments. Such data can provide sound evidence on the contribution of regions to national performance as well as on the persistence of disparities within a country. Data on **administrative regions** can also help us to understand the role of subnational governments in policy planning and public service delivery.

At the same time, the places where people live, work and socialise may have little formal relationship to the administrative boundaries around them: for instance, someone may inhabit one city or region but work in another and regularly visit relatives in a third. Regions interact through a broad set of linkages – including, for example, job mobility, production systems or collaboration among firms – which often cross local and regional administrative boundaries. The analysis, therefore, should take into consideration the geography most relevant to the policy in question, whether this geography reflects the administrative boundaries of a region or instead reflects an economic or social area of influence known as the **functional region**. Functional regions are well-suited for analysing how geography plays a part in production, productivity growth, the organisation of urban labour markets, and the interactions between urban and rural areas. This notion can better guide the way national and city governments plan infrastructure, transportation, housing, schools, and space for culture and recreation. In summary, functional regions can trigger a change in the way policies are planned and implemented, better integrating them and adapting them to local needs.

Regional and local data are increasingly available from a variety of sources: surveys, geo-coded data, administrative records, big data and data produced by users. The range of techniques to integrate and analyse these different sources has also changed the supply of data at different geographical scales, with the potential for dramatically improving both the quantity and timeliness of local information. New technologies provide reliable and cost-efficient means to map local resources that local stakeholders can easily use. For



example, very high spatial resolution (VHSR) satellite images, with metric or inframetric resolution, accurately map land used for agricultural and other purposes (Imbernon, Kabore and Dupuy, forthcoming). In Burkina Faso, a local project recently produced a detailed regional map with fewer than 2% errors in area estimation.⁵ Likewise, using the intensity of nightlights captured from satellites can complement official measures of income or inequality (Henderson, Storeygard and Weil, 2012; Mveyange, 2015). Big data can also help understand and predict local dynamics. Mobile phone data have been used to optimise bus routes in Abidjan; they may also serve to assess the impact of policies. The post-2015 agenda touted data revolution as a fundamental pillar for improving government statistical capacity (UN, 2014).

Box 3.5. Brazil's experiences of multi-sectoral and regional development

Brazil boasts several examples of regional development programmes involving multiple levels of government and non-state actors that aim to improve social inclusion, reduce poverty and bring basic services to rural families.

In 1998, a **Municipal Human Development Index (MHDI)** was made widely accessible to citizens. It provides a detailed assessment of social, economic and demographic changes between the 1991, 2000 and 2010 censuses (Fundação João Pinheiro/IPEA/UNDP, 2013). The index is central to Brazil's multi-level policies of positive regional discrimination. It feeds the country's Atlas of Human Development, which monitors subnational poverty levels. In addition to civil society, various government levels use the atlas: the municipal level to define priorities; states' and central government's officials to target towns and cities eligible for regionally based benefits; and federal development programmes that bring together multi-sectoral policies in regions with low-MHDI scores.

SUDENE, the **Superintendency for the Development of the Northeast** – a regional administrative institution created in 1959 – aims to solve place-based problems of water shortages, as well as a lack of transport, communication and sanitation infrastructure. SUDENE uses a multi-sectoral approach and territorial strategy that seeks to promote a balanced and well-connected system of cities (Diniz, 2009). SUDENE has invested mainly in infrastructure, universities, agriculture and industries and has helped northeastern federated states develop spatial plans. The institution has successfully reduced regional inequalities. From stagnation in the 1950s, the region's GDP grew by an annual average of 3.5% in the 1960s and 8.7% in the 1970s (SUDENE, 2015).

The cash transfer programme **Bolsa Família** clusters beneficiaries in a single registry to avoid programmes' overlapping. Its decentralised approach involves all three levels of government as well as civil society. *Bolsa Família* benefits mostly rural areas and small towns. It contributes to reducing uneven income distribution throughout the country (Muller and Muller, 2014).

The federal programme **Luz Para Todos** (Light for Everyone, see Chapter 2) provided electricity to an additional 1 million people between 2003 and 2009, essentially by waiving customers' installation fees. This programme was an outcome of the 2000 census, which had identified at least 2 million families without access to electricity in rural areas (Camargo et al., 2008). *Luz Para Todos* has sparked the interest of several African countries, such as Angola, Cameroon, Kenya, Mozambique, Nigeria and South Africa.

South Africa is one of the most advanced countries in disseminating socio-economic information as a participatory mechanism. In 2014, Statistics South Africa published a national Multidimensional Poverty Index; the next year, the Gauteng City Region Observatory produced its own index (see Box 3.5 for a similar experience in Brazil).



The costs of improving statistics will depend on the needs and size of a country's population. In countries whose GDP per capita is below USD 2 000 in purchasing power parity, closing all remaining survey gaps would cost donors less than USD 300 million per year, a fairly small share of global aid budgets (Demombynes and Sandefur, 2014; PARIS21, 2014).

Integrated strategic priorities can be defined through innovative approaches

The dearth of subnational statistics in most African countries cannot justify inaction. Even with limited data, foresight studies – a participatory process for building scenarios for the future and setting policy priorities – can help identify opportunities and challenges and formulate development strategies (Alvergne, 2008: 172-174). By bringing together different levels of government – national, regional and local – as well as non-state actors to map possible futures, regional foresight studies can stimulate debates on pathways to development and lead to more place-based solutions.

Many African countries plan for the long term, but few use regional foresight studies and carry out a genuine participatory process. According to the AEO 2015 experts' survey, 27 out of 37 countries have medium- to long-term strategies. The large majority (70%) span 20 years or more, but only 38% foresee alternative scenarios. Many governments update their original strategies as they evolve in the context of shorter four- to six-year development plans – usually coinciding with electoral cycles.

Most strategies set targets for political and socio-economic progress at national level without integrating multi-sectoral strategies or local specificities. For example, Morocco opts for separate long-term strategies, which focus on only one sector each (AEO experts' survey, 2015). South Africa has developed a long-term development strategy, mobilising independent experts and organising several consultations; however, the strategy is based on a single scenario, which makes it vulnerable to unforeseen events, and the initial approach was too sectoral to identify spatially integrated challenges (Giordano, 2014). At the continental level, several foresight studies have meaningfully contributed to building scenarios for Africa's future, although they usually have few implications for regional and local policies (World Bank, 1989; OECD/SWAC, 1999; UNDP and African Futures Institute, 1998; Lundsgaarde, 2011; Cilliers, Hughes and Moyer, 2011). Because their perspective is mainly continental, the methodology tends to disregard the multiple regional scales that policies affect differently. Finally, those studies are not always participatory, undermining their impact on African policy debates.

Capacity should be built at multiple levels of government and multi-level governance improved

According to the OECD Territorial Review on Brazil, "The relationship among levels of government resulting from decentralisation is characterised by mutual dependence, since it is impossible to have a complete separation of policy responsibilities and outcomes among levels of government. It is a complex relationship, simultaneously vertical, across different levels of government, horizontal, among the same level of government, and networked. Governments must therefore bridge a series of challenges or 'gaps' between levels, both vertically and horizontally.

These gaps include notably the fiscal capacity of governments to meet obligations, information asymmetries between levels of government, gaps in administrative responsibility, with administrative borders not corresponding to functional economic and social areas at the sub-national level, gaps in policy design, when line ministries



take purely vertical approaches to cross-sectoral regulation that can require co-design of implementation at the local level and often a lack of human, or infrastructure resources to deliver services and design strategies. Countries may experience these gaps to a greater or lesser degree, but given the mutual dependence that arises from decentralisation, and the network-like dynamics of multi-level governance, countries are likely to face them simultaneously.

Countries are increasingly developing and using a wide variety of mechanisms to help bridge these gaps and improve the coherence of multi-level policy making. These mechanisms may be ‘binding’, such as legal mechanisms, or ‘soft’, such as platforms for discussion, and they must be sufficiently flexible to allow for territorially specific policies. Involvement of sub-national governments in policy making takes time, but medium- to long-term benefits should outweigh the costs of co-ordination.” (OECD, 2013d)

More specifically, out of 41 African countries, 10 identified co-ordination among different levels of government as one of the three major threats to spatial management policies (AEO experts’ survey, 2015). Limited local ability and unclear responsibilities between various government levels have led central governments to intervene in local affairs, thus limiting local autonomy and preventing effective decentralisation. Without sufficient capacities, local governments cannot successfully translate public investment into growth (Garcilazo, Martins and Tompson, 2010). In many countries, central governments have used decentralised structures mostly to consolidate ruling parties’ power through alliances with local elites (Crook, 2003; Cabral, 2011: 6; Koelbe and Siddle, 2012: 110; Paulais, 2012). Building capacity at multiple levels of government is thus essential for effective and transparent decentralisation (Rodríguez-Pose, 2008).

Involving multiple levels of government and increasing joint ownership can be done in different ways. For example, Rwanda’s Joint Action District Forum provides a participatory process for local government and stakeholders to articulate District Development Plans, set budgets and allocate district resources. The lowest community administrative unit, *Umudugudu*, facilitates dialogue between the government and the community. District mayors commit to the activities identified in their annual District Development Plans by signing performance contracts with the president.

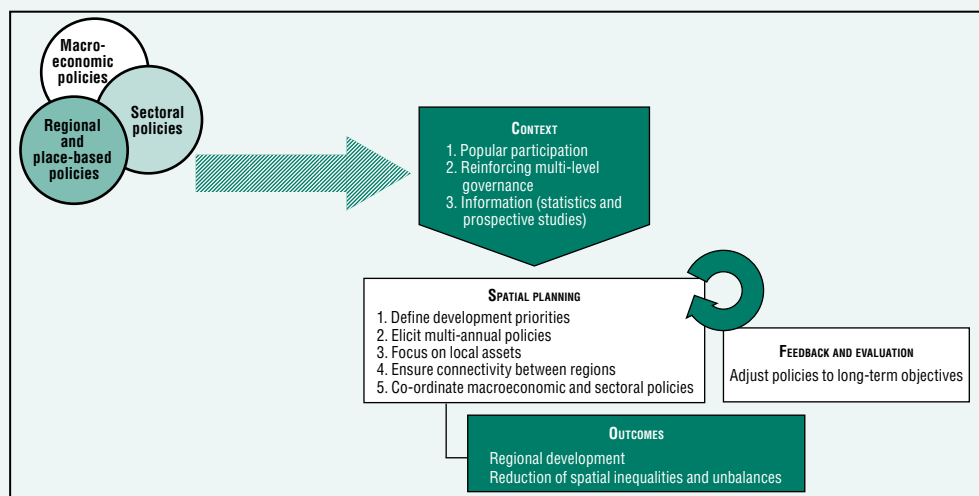
Box 3.6. From place-based strategies to policies: Spatial planning in Benin

Spatial planning can help overcome the limitations of sectoral policies (see Chapter 2). It does not imply creating new administrative structures, but increasing transparency to better manage local and regional development. Effective spatial planning involves government institutions at the supranational, central, meso and local levels, based on the subsidiarity principle, i.e. a central level of government should only assume functions that lower levels cannot perform. By taking into account a region’s political, social, economic and environmental dimensions, spatial planning helps formulate strategies that, instead of superseding sectoral policies, build on linkages between them. Its participatory process encompasses all social actors such as citizens and women associations, traditional leaders, and private and non-profit companies (Matus, 1993). Citizens’ participation enables policy makers to identify strategic development priorities, notably through national debate and local ownership. Spatial planning crucially depends on inputs from different stakeholders to ensure local ownership and effectiveness in activating local assets (Diop, 2010). Figure 3.2. zooms into spatial planning to illustrate how to develop a spatial plan.



Box 3.6. From place-based strategies to policies: Spatial planning in Benin (cont.)

Figure 3.2. Developing a spatial plan



Benin provides a successful example of policy co-ordination through spatial planning. While an environmental action plan was carried out between 1993 and 2002, its policies lacked an integrated approach to rural and urban areas and to infrastructure development. The country faced an anarchic peopling of both rural and urban areas as well as a concentration of the population on the coast with 38% of the population living in only 5% of the country's area. The National Policy Declaration on Regional Planning (*Déclaration de politique nationale d'aménagement du territoire au Bénin, DEPONAT*) responded to these shortcomings by setting out guidelines for spatial planning and decentralising certain responsibilities. Today, spatial planning is carried out at national and local levels. This helps reduce poverty, promote the regional management of resources, and improve infrastructure and services. DEPONAT has successfully improved the functioning of local administrations, promoted the design of communal plans, strengthened the capacity of communitarian agents and clarified the role of mayors in co-ordinating decentralised services. Areas for further improvement include a lack of resources, controversial interpretations of legal texts on decentralisation and polarised decision making at the local level (Agossou et al., 2010).

Resources for multi-level governance must be scaled up

Meeting the challenges described in the previous sections calls for substantially scaling up the financing of local economies as well as strengthening public and private institutions. Central governments will have to provide most of the funding, which can come from more effective taxation of natural resource extraction and innovative finance mechanisms. At the local level, fiscal systems must also be bolstered across the board by using transfer mechanisms, expanding the local fiscal base and tapping capital markets.

Central governments can mobilise a large share of the finances needed

Natural resources for regional development

African countries tend to tax natural resources less effectively than other regions. This is despite the fact that multinational companies do not rank tax considerations high among the concerns guiding their investment decisions (Keen and Mansour, 2009). Underexploited potential also dents revenues: a 1 million barrel increase in sub-Saharan oil production could increase public revenues by 1% of the continent's 2011 GDP, or USD 12 billion annually (IMF, 2012). Generous concessions to foreign investors averaged



an annual loss of USD 38 billion between 2008 and 2010 in Africa, slightly more than the entire development assistance it received during the same period.

Illicit outflows represent an annual average of USD 60.3 billion – about 4% of the region's GDP – that could be added to what the continent could harness in revenues (see Chapter 2). Some initiatives have begun to counteract this tendency. Between 2004 and 2014, the number of countries of the Southern African Development Community offering tax incentives fell: from 9 to 7 for tax holidays, from 9 to 6 for export incentives, and from 9 to 5 for initial capital allowance (OECD, 2014a).

Last but not least, tapping the development potential of natural resources requires investing in production transformation. Several countries, such as Chile, Colombia, Peru and South Africa, are setting up mechanisms to channel revenues from natural resources towards production transformation (see Box 3.7). Communities that host natural resource-intensive activities claim rights on the use of the rents, and reaching agreement on what to finance with those rents is difficult. Creating public funds based on royalties is an option, though issues of design, management and governance are complex. Political leadership and long-term support are required for central and regional governments to learn how to manage such financing schemes (OECD, 2013b).

Box 3.7. International experience of reforms of royalty payments: The case of Colombia

“Given the substantial contribution of the extractive sector to the public purse in oil and mining economies, the ability of governments to collect royalties and taxes, and to generate and manage volatile revenues, has been subject to increased public debate. When commodity prices are on the rise, as they have been for the last decade, producing countries may become more exposed to public scrutiny. Public demand tends to arise for a fair balance between the need to distribute overall public benefits, share risks and reward investors. Many producing countries have recently undergone or announced the adoption of reforms of tax/royalty regimes or revenue mechanisms in an effort to respond to evolving market conditions. [...] In July 2012, Australia imposed a new mining rent tax, widened the base of the petroleum resource rent tax and launched a number of initiatives aimed at spreading the benefits of the mining boom throughout the economy and helping businesses adapt to the transformations under way (OECD, 2012). [...] In Chile in 2011, the government approved the Fund for Regional Investment and Restructuring (FIRR). This allocates USD 100 million per year for a four-year period in the mining regions of the country, to fund development projects of regional governments and municipalities. The national government is also negotiating a new fund to be directed to mining municipalities and regions (Fondenor).”

Colombia is a case in point. “The national government radically reformed the allocation of royalty payments in 2011. The new policy framework involved a constitutional reform and a set of laws and regulations. The former National Royalties Fund was replaced by the General System of Royalties (SGR) that now collects and manages the overall royalty payments. Since 2012, the SGR allocates revenues across six main funds:

- The SGR allocates 10% of the biannual revenue to the Territorial Pension Savings Fund (FONPET), managed by the Ministry of Finance, which covers pensions for sub-national public employees.
- Up to 30% is allocated to the sub-national Savings and Stabilisation Fund (managed by the Central Bank of Colombia). In 2012, this fund absorbed 25% of the overall revenues. In the next few years, this percentage will rise consistently by half of the percentage rate of increase in expected royalty revenues.
- The SGR allocates 10% of revenues to the science, technology and innovation (STI) Fund. This fund aims to promote regional STI by supporting projects that contribute to the production, use and appropriation of knowledge, including projects related to biotechnology and information technologies. It is managed by Colciencias (the Department of Science, Technology and Innovation of Colombia). Regional universities are involved in the selection process. STI funds are allocated to departments proportionally with the Regional Compensation Fund (RCF) and Regional Development Fund (RDF) (see below).



Box 3.7. International experience of reforms of royalty payments: The case of Colombia (cont.)

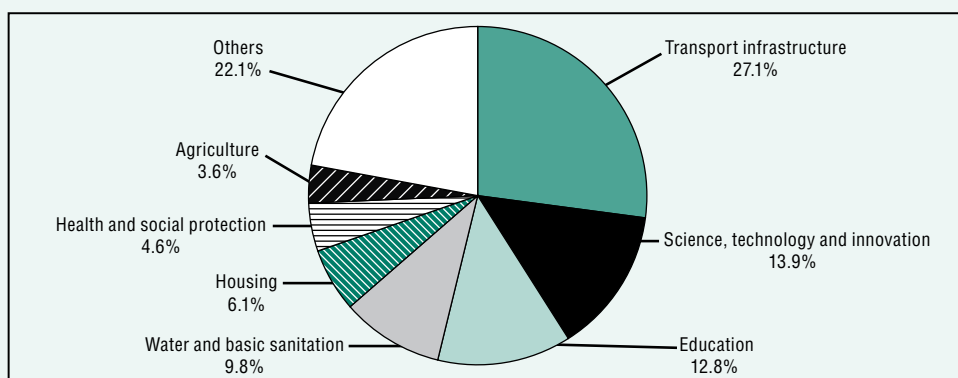
- Direct royalty payments are reserved for resource-based departments and municipalities (including those involved in the logistics of natural resources). This fund totalled 25% of the royalty revenues in 2012. The share was set to be reduced progressively to 17.5% in 2013, 12.5% in 2014 and then 10% from 2015 until 2020. The difference between 2012 and 2014 will be allocated to the RCF and RDF.
- The RCF, once fully operational, will receive 24% of the royalties after 2015 and will invest in local infrastructure and economic development projects in the poorest regions and municipalities. It will allocate revenues to departments and municipalities based on poverty rates and on an index of non-satisfied basic needs.⁶ The RCF allocates 60% to departments and 40% to municipalities (75% to the poorest municipalities in the country and 25% to the smallest municipalities in Colombia). The fund will last for 30 years, after which its resources will be transferred to the RDF.
- The RDF will receive 16% of the royalty revenues after 2015. Its objective is to promote regional competitiveness, as well as social, economic, institutional and environmental development, by financing investment projects with an impact on large territories. A formula guides the allocation of funds, with a weighting of 60% of the distribution formula to demography and 40% to poverty rates. This fund will operate indefinitely.

The reform introduced two main innovations. First and foremost, all departments and the vast majority of municipalities in Colombia now have access to royalty revenues, regardless of their specialisation in extractive activities. Secondly, funds are not earmarked to sub-national levels. [...] The departments and selected municipalities have the possibility of deciding how to invest the additional resources on the basis of their needs, strategic priorities and programming documents.”

The SGR was introduced in September 2013. Within four months, it “generated a total investment of USD 5.2 billion. Sub-national governments invested royalty revenues in four main areas: [...] road connectivity, including primary and secondary road networks” (approximately 27%); research and development (14%); delivery of education in the regions (13%); and water purification (10%) (Figure 3.3). “[...] Investing to improve road connectivity and human capital is also a way to promote competitiveness in the extractive sectors.”

Figure 3.3. Shares of natural resource royalty payments by sector

Investments projects approved between 2012 and September 2013



Source: National Planning Department of Colombia (2013).

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“The SGR is exclusively used to support capital investment”, e.g. build or maintain infrastructure such as schools or hospitals. “Sub-national governments cannot use the additional revenues generated by royalties to finance operating costs” such as wages of doctors, nurses and teachers. “This requires negotiation, and a formal agreement, between the sub-national authorities and the ministry” that will cover operating costs.

Source: OECD (2014b).



Innovative finance for regional development

Many African countries can use innovative financial mechanisms, for instance through funds from emerging countries, remittances or diaspora bonds. Chapter 2 deals with further examples of Africa's progress in finding new funding mechanisms.

Funding from emerging countries. "Shifting wealth" holds promises for new mechanisms and sources for financing local investments (OECD, 2010). South Africa has become the leading investor on the continent (see Chapter 2). China invested about USD 11.7 billion between 2009 and 2014 in 129 greenfield projects in Africa, creating approximately 48 000 jobs (fDi Markets, 2014). China's investments targeted infrastructure to meet the demands for energy and natural resources, often through loans backed by supplies of raw materials. Chinese provincial governments also have the capacity and resources to directly co-operate with African local governments through 73 decentralised aid agreements in 28 countries (Lévy, Gaborit and Rotteleur, 2008).

Sovereign wealth funds (SWFs) may also contribute more to financing Africa's long-term investment needs. SWFs, with combined assets of over USD 5 trillion (Hurst, 2014), can meet half of Africa's infrastructure gap over the 2010-20 decade by investing only 1% of their assets (Turkish, 2011). Their long-term liability allows for investing in illiquid and long-maturity assets that other institutional investors, such as private sectors funds, cannot afford. Furthermore, as SWFs are not financially leveraged by debt, they impose fewer withdrawal constraints. Consequently, they can help reduce the volatility of investment flows (Lensink and Morrissey, 2006). The 2008 financial crisis has led SWFs to diversify their portfolios into private investments, especially in industry and infrastructure. It is now up to African countries to create attractive investment environments and to maximise the benefits for local economies (Paulais, 2012). African governments will need to work with SWFs and development partners to tap this opportunity.

Funding from remittances. In 2014, remittances from African migrants represented about USD 61.8 billion (see Chapter 2). Policies can encourage receiving households either to save larger shares of their remittance income in the formal financial sector or to invest it in productive capital (OECD, 2014c). Remittances may be used to turn sovereign external loans into securities and to improve countries' credit ratings (Ketkar and Ratha, 2001). Remittances have two possible end uses: non-productive activities or productive investments (Paulais, 2012). Evidence from households in five African countries shows that remittances have increased and are used to buy agricultural equipment, build houses, start businesses, purchase land and improve farms (Plaza and Ratha, 2011).

Diaspora bonds. The savings of sub-Saharan African emigrants are estimated at about USD 28 billion per year (Ratha, Mohapatra and Plaza, 2008). Currently, the majority of these funds are invested outside Africa, but by issuing targeted bonds, governments could collect some of the savings (Paulais, 2012: 183). Ethiopia was the first country to issue diaspora bonds of this nature, but Cabo Verde, Ghana and Kenya are planning to follow the initiative (AfDB, 2013). Estimates show that by issuing diaspora bonds, sub-Saharan Africa might raise about USD 5-10 billion per year (Mohapatra, Ratha and Silval, 2011).

Local government finance remains critical for regional development

Regional development requires strong local fiscal systems and transparent governance to finance local economies and the necessary infrastructure. Bolstering the fiscal legitimacy of local governments is necessary to improve the local fiscal capacity: taxpayers are more likely to comply with paying taxes and to accept new forms of taxation if they consider the taxes to be legitimate (AfDB/OECD/ECA, 2010).⁷ Local governments have three main ways of raising funds: regional budget transfers, local taxes and debt instruments.



Regional budget transfers from the central government

Regional budget transfers commonly serve for balancing regional development. Out of 22 African countries, 10 use transfers as one of the main tools of their regional strategy (AEO experts' survey, 2015). Transfers from central governments serve as fiscal equalisation instruments to supplement subnational budgets, especially in regions with low revenues. Ethiopia, for example, has successfully distributed central resources towards its poorest regions (Khan et al., 2014: 41). In South Africa, the "Equitable Share" mechanism serves to redistribute resources across regions to reduce inequalities.

To be effective, transfers must be transparent and predictable. They can act as an insurance mechanism, absorbing local governments' income volatility: less generous in times of high fiscal revenue and more generous in times of low fiscal revenue. In Uganda, unconditional transfers are based on the amount of the previous year; they are corrected for inflation and take into account the cost of new responsibilities transferred to the local governments as well as changes in the cost of existing responsibilities (Yatta, 2015: 12).

By contrast, delayed payments and uncertainty impede local governments' planning capacity. This has been the experience notably in Burkina Faso and South Africa (Yatta, 2015: 16; Koelbe and Siddle, 2012: 149). Out of 41 countries, 24% of country experts surveyed perceived transfers as an opportunity for regional development, but 32% considered them as a threat (AEO experts' survey, 2015). In 38 African countries, transfers are deemed inexistent, unreliable or irregular (UCLG Africa, 2013). Inadequate fiscal capacity is one explanation: in most African countries, the central government's overall tax rate is 8% on average, compared with 40-50% in OECD countries, and 25% in Latin America (Yatta, 2006: 229).

Box 3.8. Bringing finance to the local level

Taking a local-level approach to development requires filling gaps in local systems, especially in terms of financing. Indeed, fiscal decentralisation is important but not sufficient to address the funding gap at the local level:

- National resources are frequently too low to cover the needs on the ground.
- Donors' funds are not a sustainable source of financing.
- Local authorities do not have sufficient legal and technical capacities to mobilise their own funds.

Therefore, local economic development calls for a strategy involving the private sector and the domestic financial sector as actors in financing local development.

Domestic capital mobilisation can help increase financial resources for local development. Innovative methods for finance can reduce risk at the local level and attract further resources. Through fiscal decentralisation and by mobilising their own revenues, local authorities can provide more public goods and services such as bridges, roads, health centres and schools. Public-private partnerships can help meet other investment needs, especially those with a revenue-generating capacity including irrigation systems, food storage facilities and markets. International agencies can bring additional funding and technical expertise to develop innovative financial instruments at the local level.

Source: UNCDF.



In addition, transfers earmarked for specific activities can be disconnected from local needs (Cabral, 2011; Koelbe and Siddle, 2012: 185). Such grants can also encourage local governments to spend more and reduce their tax efforts, thus damaging their fiscal legitimacy (Blöchliger and Petzold, 2009). They risk increasing deficits and debt at different government levels.

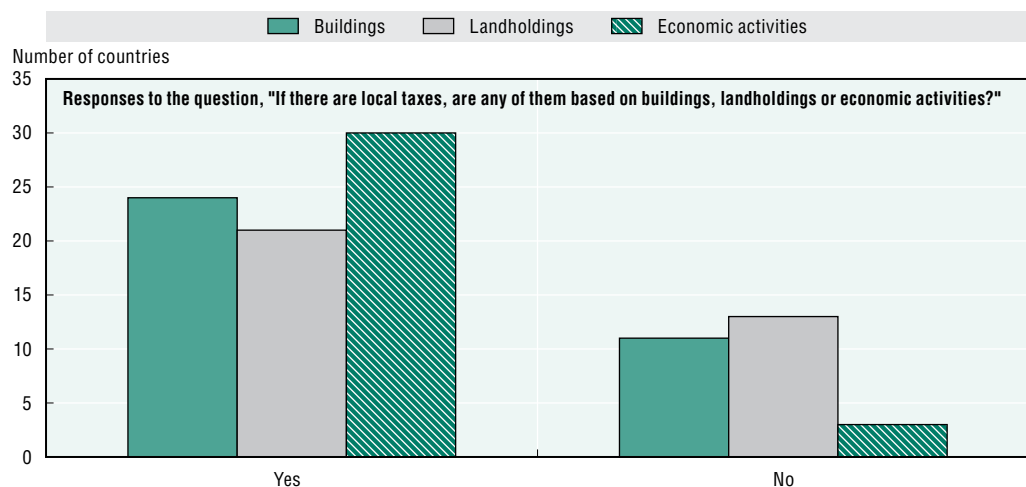
Governments can put mechanisms in place to limit the adverse effects of transfers, such as reduced accountability or inefficiency. Cameroon, Senegal and South Africa regularly evaluate the costs of services transferred to the local governments. Namibia evaluated local governments' performances, revealing the lower cost of public services provision if delivered locally (Yatta, 2015: 7; 13). The United Republic of Tanzania and Uganda have introduced similar performance-based grants (Elroy Africa, 2012: 20). Consequently, local governments should clearly define their expenditure objectives *ex ante* and then be evaluated *ex post* in regards to achieving objectives.

Local taxes

Strengthening local fiscal capacities is indispensable for all African countries. Most of them mobilise far fewer local resources than those in other regions of the world (AfDB/OECD/ECA, 2010). At least five do not levy any local tax (AEO experts' survey, 2015). Local tax collection is estimated to be of the order of 1% of national income in African countries with a high concentration in large urban areas (AfDB/OECD/ECA, 2010: 114). Introducing property taxes could increase local resources for a more progressive tax system, without burdening employment in the informal and formal sectors.

Many subnational governments do not use property taxes efficiently. Property taxes generally contribute more to local government revenues in Africa's English-speaking countries than in its French-speaking ones (Yatta, 2006: 231). But there are wide discrepancies: Burkina Faso does not levy property taxes; in Côte d'Ivoire, property taxes represent almost a third of subnational government revenue; in Mali, property tax revenues go directly to the central government. Many countries do not levy any local taxes on buildings and landholdings, or even on economic activities (Figure 3.4).

Figure 3.4. Local taxes on economic activities and property in Africa



Source: AEO experts' survey, 2015.

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Subnational governments can better mobilise property taxes to increase their budgets. This will be facilitated by an urban population likely to increase beyond 700 million by 2030 (UNDESA, 2014; see Chapter 1). Property taxes are more stable, more difficult to evade and less exposed to business cycles than taxes on local economic activity such as income tax or licences (Blöchliger and Petzold, 2009). Also, they can fund local public services in the areas where they are levied (Yatta, 2006: 246). Although politically contested, property-related taxes potentially represent a valuable income source for local governments (Blöchliger and Petzold, 2009). Cabo Verde and South Africa have successfully decentralised urban property tax collection (AfDB/OECD/ECA, 2010: 118). Property taxes can be important for countries with high levels of informal employment and tax evasion (Durand-Lasserve, 1994: 15). Those countries in particular should improve registers and records of property ownership (Épargne Sans Frontières, 2010).

Understanding the sizeable informal sector is crucial for establishing an equitable and effective tax system. In 12 coastal and Sahelian cities in West Africa, the informal sector accounts for 40-80% of local GDP and 70-90% of local employment; it contributes more to local government revenues than the formal sector (Yatta, 2006: 173, 175, 248; Chen et al., 2005). However, the cost of collecting taxes is typically high, while potential fiscal revenues are limited (Joshi, Prichard and Heady, 2012: 9). Each tax administration must therefore conduct a careful cost-benefit analysis to decide how far they can go in their efforts to upgrade informal businesses (AfDB/OECD/ECA, 2010). Several tax options exist for the informal sector including indirect taxation, e.g. value-added taxes, withholding taxes, import and export duties, and presumptive taxation (OECD, 2010: 97; Joshi, Prichard and Heady, 2012: 12). The right tax mix largely depends on the context and may vary by country and area.

Local debt instruments: A limited alternative

With a better local tax base, local governments could join financial markets, provided they respect national guidance for macroeconomic stability. In Cabo Verde, most locally generated income stems from property taxes, whereas transfers from the central government represent 28% of the municipal budget on average. In addition, local governments are able to borrow from commercial banks. However, borrowing is limited to avoid over-indebtedness. Credits are mostly limited to five years and have relatively costly interest rates of 13-14%. To reduce risks, the central government has to approve every loan. Cabo Verde's average municipal budget is relatively high: in 2007, it represented EUR 276 per inhabitant, against EUR 7 in Senegal (Paulais, 2012: 321).

Federal states in Nigeria are allowed to borrow on domestic capital markets with the permission of the central government. Lagos State generates 60% of its own resources (Paulais, 2012: 351). Through the emission of bonds and public-private partnerships, Lagos has managed to mobilise additional resources and improve local infrastructure since 2008.

Nonetheless, local governments that rely on high growth perspectives can make the bond-emission model less useful for other regions. Johannesburg gained access to capital markets by emitting bonds, but the Development Bank of Southern Africa, a key partner of local governments, faces difficulties in financing smaller cities because of the high risk of default. In Tunisia, specialised finance institutions have led to over-indebtedness of local governments (UCLG, 2010: 53).



Box 3.9. Place-based policies and donors

Embedding place-based policies in development co-operation can increase aid effectiveness by strengthening local capacities, reducing sectoral biases, addressing local needs and improving the co-ordination of aid delivery. Donors play a crucial role in building local capacities in poor countries but must avoid crowding out local resources. In some cases, they may finance up to 90% of the decentralisation process (Demante and Tyminsky, 2008). In Mali, donors financed 68% of the 2009 budget of the Diema rural community, while their own resources represented 25% and central government transfers 7% (Épargne sans Frontières, 2010). Involving regional financial institutions and building local capacity to raise resources can help diversify local revenues.

Donors mainly working with central governments and sectoral ministries sometimes overlook the actual needs of local populations (Yatta, 2009). In Uganda, a decentralised country, donors unintentionally reinforced the power of various sectoral ministries; as a result, they reduced the role of the Ministry of Local Government as well as that of local governments (Smoke and Winters, 2011).

Donors' efforts to improve co-ordination will make decentralised co-operation more effective. For example, while some bilateral donors devolve decision-making power to local levels, multilateral lending agencies largely work with ministries of finance to control financial flows from central to local governments (Dickovick, 2013: 8).



Notes

1. Lumwana, Zambia, offers the case of a rural setting that was turned into a modern town after a new copper mine was opened, creating more than 4 000 jobs within the mine itself and another 8 000 in supporting activities (AEO Country Note).
2. There are many other success stories: Japan's One Village One Product programme has promoted more than 300 local specialty products that recorded over USD 1.3 billion in sales in 2001 (UNIDO, 2008: 9). Launched in 1979, it used a participatory approach involving local residents and stakeholders to activate otherwise untapped resources.
3. Regional and local statistics offices are often solicited for data without receiving feedback or knowing about the work of their peers in other regions. Some statistics are collected by several uncoordinated agencies. For example, in the Democratic Republic of the Congo, five offices in addition to the National Statistics Office collect trade statistics, each counting a slightly different group of goods. Discrepancies in the numbers reported by different agencies create confusion for users (Pole Institute, 2007).
4. Statistics visualisation tools can help non-technical actors to use data, and new technologies can help countries share information at lower cost (AEO experts' survey, 2015).
5. Alternatively, a registry of agricultural plots with differential GPS and aerial photos can accurately measure cultivated areas. However, pilot projects carried out in Central America have proven expensive and raised concerns of corruption (Ostrom, 2001). In addition, the fiscal and administrative complexities of these projects may not sit well with entangled traditional and legal land systems in Africa. Finally, mapping land use by remote sensing has not been able to distinguish crops and natural spaces for official use (Jaffrain, 2013).
6. This index uses a group of indicators including critically overcrowded housing, housing with inadequate services, households with high economic dependence and households with school-age children not attending school (DANE, 2011).
7. For instance, tax compliance increased in Malawi after the Revenue Authority began rewarding businesses with tax compliance certificates in 2004. Local banks started to unilaterally use those certificates in their rating of businesses' credit worthiness. As a result, domestic revenue increased from 9% of GDP in 1998 to 14.7% in 2005 (AfDB/OECD/ECA, 2010).



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PART II

Country notes





ALGERIA

Algeria is the largest country in Africa (2.38 million km²), and major geographical disparities in spatial distribution affect the geographic distribution, way of life and living standards of the 38.7 million people who live there. These disparities are also linked to spatial redistributions currently taking place among the population, especially the urban explosion in the north, where most of the country's population live in a coastal strip 1 200 km long and less than 70 km wide. The concentration of people in certain parts of the country produces serious imbalances and strong tensions over the use of resources. About 64% of Algerians live in the north (4% of the country's area), 28% in Hauts Plateaux (9% of the area), and 9% in the south (87% of the area).

The mainly arid and semi-arid climate, sparse rainfall and unequally distributed natural resources make for a fragile ecosystem that is especially vulnerable to the effects of climate change. The government has therefore long been fully committed to a policy aimed at ensuring spatial inclusion and reducing social and spatial inequalities. This has involved strengthening local government (the 48 *wilayas* and 1 541 municipalities) through institutions and laws, and adopting policies, action plans and special programmes to bring the territories and spaces closer together. The main institutional and regulatory body is the national development plan, the SNAT (*Schéma national d'aménagement du territoire*), which co-ordinates and rationalises government policies and development work. It includes 21 sector-based blueprints, 20 territorial action programmes, 9 regional blueprints, 4 blueprints for city development (Algiers, Annaba, Constantine and Oran) and an individual development plan for each of the 48 *wilayas*.

The government, through the SNAT, has decided to create competitiveness and excellence centres (POCs, *pôles de compétitivité et d'excellence*) throughout the country to promote spatial and sectoral diversification of national production. Six have been listed by the SNAT: in Algiers, Sidi Abdallah and Bouinan (information and communication technology, advanced technology, food and health biotechnology, and sports nutrition); Oran, Arzew, Sidi Bel Abbès and Tlemcen (organic chemistry and energy, space technology and telecommunications); Constantine, Annaba and Skikda (biotechnology, mechanical metallurgy and petrochemicals); Sétif, Bejaia, Bordj Bou Arréridj and M'sila (electronics, plastics engineering, food biotechnology and industrial automation); Médéa, Boughezoul and Laghouat (nuclear power and pharmaceuticals); and Ouargla, Hassi Messaoud and Ghardaïa (petrochemicals, traditional energies, renewable energy and arid-zone biotechnologies).

A thriving economy and job creation are also priorities for officials in charge of development, who are focusing on improving and diversifying infrastructure and developing capacities for innovation and making areas attractive. The results of this strategy (often reflected in the country's huge five-year plans) include: i) the building of the east-west motorway and the Trans-Sahara Highway, where potential sites have been earmarked for creating economic and residential areas to promote the kind of assets needed by POCs; ii) the start of work on industrial centres to revive industry and economic diversification by boosting competitiveness; and iii) the building of large-scale watercourses and desalination plants throughout the country.

Local government is in the form of decentralised, popularly elected assemblies that are fairly directly involved in running the municipalities and *wilayas* that they represent. Alongside these are geographical, social and cultural units and other informal groups in which informal but real power can be exercised through committees (*djemaa*), which can have a positive or negative influence over administrative decisions or even voters. These include douars, *arouch*, tribes and *zaouias* (religious communities).



The political and administrative authorities have defined rural municipalities (out of the need to differentiate “urban” and “rural” areas) on the basis of the elementary administrative unit of the municipality. A municipality that is less than 50% urban or whose density is less than the average in the region it belongs to (north, Hauts Plateaux or south) is classed as rural. The country has 979 rural and 562 urban municipalities, and of the 4 055 population centres, 3 476 are rural. Less than 30% of the total population (39.7 million on 1 January 2014) live in rural areas, down from 40.5% in 2006.

The rural population is still strong, but since independence it has been declining as a percentage of the overall population, since it has been growing at a rate of just 0.4% a year, compared with 4% annual population growth in urban areas. Migration to towns and cities or to rural and semi-rural population centres is fuelled by higher incomes, better living conditions, better infrastructure and basic public services and the grouping of inhabitants of sparsely populated areas between 1989 and 1998 for security reasons.

Rurality has not changed evenly across the country. In 2014, 45% of the rural population lived in dispersed habitats and 55% in about 3 500 rural and semi-rural settlements, but this situation varied considerably among the 48 *wilayas*. Most of the country’s municipalities are rural (979 out of a total 1 541 municipalities, or 64%), of which a quarter are in the Hauts Plateaux, 64% in the north and 11% in the south.

The emergence of new towns, such as Ali Mendjli, is too recent to draw any conclusions, despite the many challenges posed. However, they are a solution for decongesting the urban centres of the north, moving business and people to the Hauts Plateaux and the south, dealing with the isolation of certain towns and reducing vulnerability to earthquakes.



ANGOLA

Large regional inequalities persist in Angola, exacerbated by more than 27 years of war that triggered an unprecedented rural-urban migration. Located in the Southern African region, Angola is the seventh largest country in Africa, with a total area of nearly 1.25 million km² and a population of 24.38 million. According to a study of regional asymmetries and inequality by the *Centro de Estudos e Investigação Científica* (CEIC, 2010), the country can be divided into five main economic regions: Luanda/Bengo, North (comprising Zaire, Uíge and Cuanza Norte provinces), Center/East (Malange, Lunda Norte, Lunda Sul, Moxico and Cuando Cubango), Center/West (Cuanza Sul, Bié, Huambo, Benguela and Namibe) and South (Huíla and Cunene). The underlying factors driving the economic imbalances among these regions could be attributed to the centralised political and administrative organisation as well as the concentration of economic and productive private sector activities in the Greater Luanda/Bengo market (CEIC, 2010).

The post-independence economic growth model focusing on exploration and export of oil has deepened regional asymmetries. Improved management of income from non-renewable resources is needed to enhance spatial inclusion and generate income for future generations. Public investment financed through oil revenues has been the main driver of regional development, with Luanda the main recipient. But the percentage of the Public Investment Programme allocated to Luanda has dropped considerably, to 34.2% in 2014 from 44.6% in 2012, and this can be considered a step towards better regional distribution. Further efforts are required, however. For instance, the quantity and quality of physical infrastructure remain inadequate. A 2014 survey by CEIC found that inefficient public transportation is used by approximately 74% of the population. The quality of roads is also a concern: 11 000 km of roads have been rehabilitated, while another 7 000 km are being built, against an ambitious target of 25 900 km. Despite huge hydroelectric potential (more than 18 000 MW), with greater concentration in the northern area, only 30% of the population has access to electricity. Access to ICT also remains low by international standards, with only 61.9 subscribers per 100 people (WEF, 2014-15). Provision of health care services is unequal across the country, with health facilities in Luanda providing a much broader range of services than those in other provinces (Christian Michelson Institute, 2011:9). Industrial activity remains unequally distributed, with 77% of all industry concentrated in Cabinda, Cuanza Sul, Benguela, Luanda, and Namibe. Luanda currently accounts for 27% of the population, with a density of 347 inhabitants per km². In sharp contrast, the larger eastern provinces of Lunda Sul, Moxico, and Cuando Cubango, with 7% of the population, have little industrial activity. The spatial exclusion of these provinces – in particular Lunda Norte, Angola's main diamond producing area – can be seen in the “empty spaces” generated by low population density (from 2.5 to 8.1 inhabitants per km²).

Agriculture is the dominant economic activity in rural areas, where 38% of Angolans reside. In 2012, an estimated 2.6 million small-scale farmers, with average holdings of 2.1 hectares, cultivated 4.9 million hectares (87% of the total), while 8 360 commercial farmers cultivated 742 432 hectares (13%). Food security has yet to be achieved, although this is a fundamental objective of the 2009 National Strategy for Food Security and Nutrition.

Spatial conflicts characterise Angola's recent history. The prolonged civil war led to significant migration from the countryside and phenomenal growth of the urban population, to 62% in 2014 from 15% in 1970. The largely war-induced isolation of regions and populations prompted the Angolan authorities to address the critical issue of spatial inclusion in their quest for sustainable economic and human development. Among the government departments concerned with regional development and spatial planning are the Ministries of Planning and Territorial Development, Agriculture and Rural Development, Urbanism and Housing, Environment, Construction, and



Transport. Also concerned with spatial inclusion are non-governmental organisations, including *Acção para o Desenvolvimento Rural e Ambiente* (Action for Rural Development and the Environment), *Caritas de Angola* (Caritas of Angola), *Forum das Organizações Não-Governamentais Angolana* (Forum of Angolan Non-Governmental Organisations), and *Rede Mulher* (Women Network).

Angola has a legal framework for decentralisation of local state bodies (Law 17/10, Article 85), but there has been limited progress. About 80% of state budget resources are administered at the central level, with only 15.4% delegated to provincial governments and the rest to municipalities (Ministry of Finance, 2014 Budget Proposal). The country's budgetary system also has not established consistent links with the development plans of local governments. For instance, in 2010, all 169 municipalities were requested to prepare individual investment plans amounting to about USD 2.4 million as part of the Integrated Municipal Plan for Rural Development and Poverty Reduction. By November 2010, few of these resources had been received by the municipalities and consequently many projects had to be postponed or abandoned (Christian Michelsen, 2011). The operationalisation of spatial inclusion policies is articulated by a series of programmes, including: i) the Poverty Reduction Strategy approved in February 2004; ii) the Integrated Municipal Plan for Rural Development and Poverty Reduction approved in 2009; and iii) the Public Investment Programme implemented through Presidential Decree 31/10 of 12 April 2010, the key instrument of the government's economic policy for the promotion of regional development and the reduction of asymmetries. The government also approved a fiscal policy mix, through tax breaks, including a private investment law that was revised in 2012, and through altered benefits and incentives available for investors. The most generous tax incentives are offered to investments in the non-oil sector for lagging economic zones. The government invested USD 50 million to provide adequate infrastructure for Special Economic Zones. Plans are underway to develop industrial poles as part of the 2013-17 Industrialisation Programme. Access to credit by SMEs is being eased and economic corridors for reducing regional asymmetries are being developed. The results of the population census of May 2014 are expected to help in the design of a comprehensive national population policy and in anticipating the consequences of population growth and subsequent pressure on natural resources.



BENIN

Located in West Africa, Benin covers 112 622 km², extending 670 km from the Niger River in the north to the Atlantic coast in the south. The provisional results of the national population census estimated the country's population at 10.3 million in 2013, most of whom (53.5%) live in rural areas. The country is divided into 12 *départements* and 7 municipalities. Rural populations are more affected by poverty (39.7%), especially in the northern and south-western *départements*, than urban ones (31.4%).

The Littoral *département* has the greatest economic development owing to the fact that it includes the city of Cotonou, where all the economic (trade and services), administrative and port functions are centralised. This makes Cotonou the largest and most densely populated city in the country, with a population of 678 874 and a population density of 8 874/km². The city's influence has spread to neighbouring municipalities, which have had the highest population growth rate in the country for around the last 20 years. The population of the greater Cotonou area, which includes the cities of Abomey-Calavi and Sèmè-Kpodji, practically quadrupled between 1979 and 2013 to approximately 1.6 million, which puts 16% of the country's total population in only 0.73% of the national territory. The country's main economic and social infrastructure – the port, airport, national university hospital and head offices of most national institutions – are concentrated in Cotonou. Benin's largest market is there, and its largest industrial area is in the outskirts of Cotonou. Benin's largest university is in the city's northern outskirts. All these facilities make the Littoral *département*, formed mainly by Cotonou, Benin's main economic hub. According to the second official business census drawn up by the *Institut national de la statistique et de analyse économique* in June 2010, the capital is home to 37% of the country's enterprises.

Comparing several indicators such as the 2006-09 Human Development Index and the 2011-12 survey on household living conditions (*Enquête modulaire intégrée sur les conditions de vie des ménages*) shows that Alibori is the least developed *département*. Its population density is the lowest (34/km²) and it is home to only 3% of Benin's enterprises. Alibori is, however, the main production area for cotton, the leading export crop, and has high agricultural potential in the Niger River valley. It also includes the border town of Malanville, near Niger. Many areas in Alibori are isolated, in particular the border town Ségbana. Two of its municipalities, Karimama and Malanville, have posted the lowest net school enrolment rates in the country, 16.8% and 19.0% respectively in 2011, compared with a national rate of 74.4%. Karamina, in the far north of the country, has the highest child-mortality rate in the country (111 per thousand live births). Kandi, the main city in Alibori, located more than 600 km away from Cotonou, is overshadowed by Parakou, the main city in the north of the country, 400 km away from Cotonou. The *département's* economy could be boosted if the Kandi-Malanville duopoly can benefit from Parakou's success.

These regional disparities show that spatial inclusion is indispensable for every community to develop properly and for the country's population to improve its living conditions. Sustainable, balanced development nationwide is one of the five priority areas of the ongoing SCRP. One of the prerequisites for spatial inclusion is to set and implement a genuine land-use policy. Attention to the issues of inequality between rural and urban areas in terms of access to basic services, localised natural-resource depletion and the accessibility of isolated areas has resulted in the development of long-term strategies, for instance the national spatial-development plan (*Schéma national d'aménagement du territoire*). The plan is charted in five documents: the 2002 Deponat spatial-development policy statement (*Déclaration de politique nationale d'aménagement du territoire*); the Deponat operational-strategy statement (*Document de stratégie opérationnelle de la Deponat*), which is in the process of being adopted; the national spatial-development plan (*Schéma national d'aménagement du territoire*), also in the process of being adopted; the national border-



areas development programme (*Programme national de développement des espaces frontaliers*); and the municipal-development master plan (*Schéma directeur d'aménagement communal*). Reducing the isolation of agricultural-production areas is also an important goal and is reflected in the programme designed to strengthen the transport network in Parakou and in the Parakou-Bérébouay, Ndali-Nikki-Chicandou, Kandi-Segabana and Godomey-Hillacondji corridors.

The PIS also features an important section on infrastructure intended to open up isolated regions, especially in the north, and to deconcentrate the infrastructure from around Cotonou. In this regard, the PIS includes plans to build a railway linking Cotonou, Parakou and Niamey so the northern regions of the country will be better connected to the coast and Cotonou. An international airport is also planned at Glo-Djibé, outside Cotonou. A new deep-water port will be built at Sémé-Kpodji, and the Ouémé valley will be enhanced and promoted as a new agricultural hub in the central *départements*.

The authorities are also exploring the demographic-dividend issue and have commissioned analyses to serve as a basis for actions likely to change the age structure and make it conducive to sustaining economic growth. Meanwhile, the consequences of climate change on agriculture remain a major concern and were the subject of a report to the Ministry of the Economy, Finance and Denationalisation Programmes. The authorities have also set up a commission charged with developing models for the impact of climate change so that the national budget can factor in the need for resilience to climate change among a number of key sectors.

Other issues of equal importance are also on the table, such as the local consequences of internal migration (rural exodus), access to land and lack of economic opportunities in the rural areas, but there is no long-term strategy to deal with them. However, very little attention is given to issues related to the local consequences of international migrant influxes, the local consequences of emigration and regional tensions due to socio-political problems (ethnic belonging, language spoken, political majority at the local level, for instance).

The main obstacles to be removed in order to achieve the country's spatial-inclusion policy and ensure regionally balanced development are dependent on the government's capacity to promote regional business clusters and employment in the rural areas, manage the pace of urbanisation and curb population growth.

BOTSWANA

According to government data¹ (accessed in December 2014) about 18% of Botswana's land is designated as protected areas, consisting of national parks and game reserves. An additional 21% which are stretches of land bordering protected areas are defined as Wildlife Management Areas. As a result, almost 90% of Botswana's human population lives along water lines of eastern regions and the north-south corridor, following the main road and rail routes linking South Africa, Botswana and Zambia. This stretch of land hosts the urban centres of Gaborone and Francistown as well as other major human settlement areas including Palapye, Serowe and Mochudi.

In Botswana wild animals are resources of tourism. They generate income and pride, which ultimately reinforce the protectionist paradigm in the human-animal relationship. However, protectionism accepts spatial exclusion as a necessary measure, delineating rigid boundaries segregating humans in settlements and animals in protected areas. The physical placement or fixing of wild animals in discrete spaces emerged largely from the country's conservation agenda. Traditionally, local chiefs held ownership and responsibility for wild animals primarily for hunting to satisfy their needs. The British colonial government installed in 1885 a "fortress" style of conservation, based largely on a state-owned and centralised resource management scheme. Under this scheme, wild animals were considered as exotic beings and government officials established bans, quotas and licences to limit indigenous hunting practices, taking the hunting and gathering rights and the lands from local people. The preservationist policies led to the establishment of two Protected Areas during early the 1960s, i.e. Chobe and Central Kalahari Game Reserves in 1960 and 1961, respectively.

On independence in 1966, the government continued the same agenda by establishing Chobe National Park (1967), Makgadikgadi and Nxai Pans in 1970 and 1992 and Khutse Game Reserve in 1971. In addition to protected areas aimed at wild animal conservation, Wildlife Management Areas were established in 1975 to serve as corridors for migratory species between protected areas. In 1989, the government attempted to decentralise its wild animal management scheme to include local communities living close to protected areas with the aim of community-based natural resource management as part of spatial inclusion. But the recent conservation route reinforced the importance of separating animals from humans, i.e. "spatial exclusion" in order to protect the former. As a result, land allocation for wild animal conservation continues.

In Botswana physical arrangement and delineation of animals from human zones is distinct. Most wildlife reserve areas originally hosted a large human settlement whose inhabitants were the San people (Basarwa). They were hunter-gatherers who lived by moving from one area to another in search of water, wild fruits and animals. The San were later joined by groups of the Basubiya people, and around 1911 by a group of Batawana led by Chiefs. When the country was divided into various land tenure systems early in 20th century, the larger part of the area that is now national park was classified as crown land. In 1932 about 24 000km² was declared a non-hunting area in Chobe District. The following year, the protected area was increased to 31 000km². It was gazetted as Chobe Game Reserve in 1960, and seven years later declared a national park (Botswana Environment Statistics). In 1975 the largest settlement based on the timber industry at Serondela gradually moved out and Chobe National Park was finally emptied of human occupation, thus spatial exclusion strengthened. Finally, in 1980 and 1987, the boundaries were altered to increase the park to its current size (Botswana Tourism Board). Chobe National Park is now home to variety of animal species, replacing humans.

Botswana's wild animal management strategy has long been grounded on environmental discourse that privileges "unspoiled nature". Instead of including the people living in and around in the strategy development, they are identified as "others". According to the Botswana Tourism



Board, Parks and Reserves have been established for protecting wildlife. Hence, parks are socially constructed “wildlife places” existing beyond the realm of human occupation, intervention and control. The Botswana wild animal management strategy seems grounded on ethical discourse recognising the fundamental value of animals well beyond their use to humans.

Through the conservation agenda, humans are made to imagine wild animals in Botswana as part of untouched nature and as ecologically valuable beings with inherent value. The spatial implications of this agenda emerge from human containment of wild animals within fixed spatial boundaries of protection essentially for the good of the animals.

One of the most pervasive forms of inequality and exclusion is highlighted by the gender dimension, with a very strong link with gender and economic inequality. For instance the UNDP, Gender Inequality Index (GII, 2014) gives Botswana a GII value of 0.486, ranking it 100th out of 149 countries. Several studies show that in socio-economically unequal societies fewer women complete higher education, are represented in the legislature, and the pay gap between women and men is wider. These issues are clearly observed in Botswana. Therefore, the recent rapid rise in economic inequality in most countries is a serious blow to efforts to achieve gender parity around the world. Without solid policy interventions in the interest of both sexes the cascade of privilege and disadvantage will continue for generations.

Research findings confirm that reducing exclusion and income inequality leads to significant improvement in the duration of sustained growth from about 5 to 8 years, up to 15 years and over. Botswana’s growth potential is largely driven by the length of the estimated growth period. That means even a marginal improvement in income distribution could result in a more prolonged growth period. In line with this the UNDP *Human Development Report 2014* emphasised Social Protection stating “...the majority of the world’s population lacks comprehensive social protections such as pensions and unemployment insurance.” It argued that such measures are achievable by countries at all stages of development, providing inclusive and basic social security benefits to the poor and the excluded cost less than 2% of global GDP.

Note

1. www.gov.bw/en/.



BURKINA FASO

Burkina Faso is a landlocked West African Sahel country of 274 000 km² and a population of 17.9 million (2014 estimate) that could reach 30 million by 2030. The 2006 census showed that 22.7% of Burkinabés lived in towns. Urbanisation has increased in the past 30 years and is centred on the economic capital of Bobo-Dioulasso, in the west, and the political capital, Ouagadougou, in the centre of the country. The population of Ouagadougou quadrupled between 1985 and 2013, accounting for 11% of the total population today, and Bobo Dioulasso's has doubled in 20 years, according to the national institute for statistics and demographics. The country has gradually developed such that Ouagadougou has most of the infrastructure (industry, airports, universities, hospitals, business centres, conference halls and major hotels).

Progress has been made in linking rural areas to the rest of the country but challenges remain. Public infrastructure for the rural population, 77.3% of the total in the 2006 census, is limited to primary education, primary health care, clean water and rural roads, and is insufficient to meet basic needs. The quality of such services also needs improvement, especially those important for daily life, such as electricity, which only 2.34% of the rural population had access to in 2013.

The areas with strong growth potential, in the west and the east, are still not sufficiently developed. Internal migration is focused on Ouagadougou. The Centre and Nord regions, unsuited to farming because of climate change and desertification, are the most densely populated, with between 60 and 615.8 inhabitants per km².

Strong pressure on farmland in the west and south, due to population growth and migration, sometimes leads to conflicts, especially between agricultural and livestock farmers and between locals and outsiders, as well as land disputes arising from rapid migration to urban areas. The country has 301 rural communities and 49 urban municipalities since a reorganisation in 2006. Land allocation has become one of the main responsibilities of these local authorities and is sometimes charged with tension, especially in Ouagadougou and Bobo-Dioulasso.

Several approaches to territorial development have been tried, including land management and local development. There is no systematic policy for allocating resources to the country's 13 regions; central government funding is less than 5% of the national budget and allocated on the basis of population size rather than development needs. So poverty varies widely from region to region and is estimated at 17.3% in Centre, with the poorest being Nord (68.1%), Est (62.2%) and Boucle du Mouhoun (56%). The Nord region (with 8.5% of the country's population) is mostly unsuited to farming and its economy is based on mining and trade. The lack or depletion of natural resources and inadequate public investment in roads explains its poor development. There are, however, some projects funded by lenders that focus on the most underdeveloped regions of Est, Nord, and Sahel.

The country has had a national land-use policy since 2005 based on four land-use plans: a national one, *schéma national d'aménagement du territoire* (SNAT), which decides the general use of the country's lands and+ the nature and location of major infrastructural facilities; regional and provincial ones; and a master plan that sets basic standards of occupation and land-use and management objectives for local authorities and any other body. A SNAT survey has been completed and a SNAT law is due to be passed in 2015. Since 2005, the country has also had a long-term vision, the Burkina 2025 survey, on which the accelerated growth and sustainable development strategy, *Stratégie de croissance accélérée et de développement durable*, (SCADD) is based. But the country's capacity to take the vision into account in development programmes and projects, especially population and climate-change factors, is still limited and needs to be strengthened.



The government has adopted a growth model based on development of four economic growth centres as a way of improving spatial inclusion. These are focused on agriculture in Bagré (Centre-Est region), mining and livestock in Sahel, tourism in Est and on the agropoles in Sourou and Samendeni in Hauts-Bassins and Boucle du Mouhoun. Bagré is the most modern centre, rich in natural resources with 500 000 hectares of public land and a sizeable reservoir for irrigation. The government is building modern infrastructure there (roads, energy, water and information technology) to attract private investors in agro-industry but also to help develop research and technological innovation. The area's economy will mainly be driven by agriculture, processing, services and tourism. By 2017, it should be producing 450 000 tonnes of cereals a year (up from 157 000 in 2010), 1 250 tonnes of fish (522 in 2009) and 2 400 tonnes cattle-feed. Creation of 30 000 jobs is planned, indirectly supporting 250 000 other people.



BURUNDI

Burundi is faced with problems of agricultural viability and spatial inclusion. With an area of 27 834 km², it is one of the smallest countries in Africa, with an average population density of over 310 people to the km². Burundi is currently facing structural and economic difficulties, principally: i) population pressure; ii) lack of land (the average area of family farms was less than half a hectare in 2014 compared to 2.2 ha in 1990); iii) rapid loss of natural resources (the current rate of deforestation is estimated at 2% a year). This situation stems from the lack of a viable secondary sector able to relieve pressure on the primary sector, but also from poor use of natural resources, tools and techniques and a weak land-security and urban planning policy.

The country is essentially agricultural. The sector represents nearly 43% of GDP, some 90% of the population is dependent on it, and the rural population derives 95% of its income from it. Though there is little rural-urban migration, and little urbanisation nationally (under 10%), there is rapid, largely uncontrolled urban development in Bujumbura, where most migrants settle. The capital city alone contains almost three quarters of the country's urban population. Moreover, most public administration and over 80% of private-sector businesses are concentrated in Bujumbura. There are still glaring disparities in access to social services such as education and health care. In education, for example, there are great differences in the distribution of infrastructure and teaching staff, both between and within provinces. In 2012, there were 101 pupils per class in Kirundo province compared to 54 in Bururi. The same held true for the distribution of teaching staff with 69 pupils per teacher in Muyinga province compared to 33 in Bururi. Within provinces, provision is also unequal insofar as the random variable for the distribution of teachers is still 0.449, which means 44.9% are not where they should be, with provision above or below the norm. With regard to nutrition, regional disparities persist and some provinces show a chronic malnutrition rate above the national average of 48.8% such as in Ngozi (54%) and Muyinga (59%).

The road network is sparse. Only a fraction of the population has access to roads that are passable all year round. The density of the rural road network is substantially lower than elsewhere in Africa. Moreover, the country has poor coverage in terms of energy production and social infrastructure (schools and health centres). In the agricultural sector, transport costs account, on average, for 35% of import and 40% of export costs. Similarly, despite considerable potential hydroelectric production estimated at 1 300 megawatts, only 39 MW are currently available, covering less than 5% of the population (the figure is 16% for sub-Saharan Africa). There are differences between provinces in the density of the road network, which is greater in the North and North-West of the country, and less in the East, Centre and South making access to socio-economic infrastructure difficult in these regions.

The question of land-ownership in Burundi is a major preoccupation. Even apart from the shortage of land, excessive subdivision and land degradation, Burundi is facing many problems in land governance. These are mainly poor management of state-owned land and poor performance of classical methods of land management, caused by inadequate human, material and financial resources. Also responsible are the excessive centralisation of the land administration system, and the complexity, length and cost of procedures to establish title to land. Despite high demand for secure land ownership, most land, and 90% of rural land, is not registered. There is also the problem of refugees returning or displaced from bordering countries. Some 700 000 Burundians who had sought refuge in Tanzania have come back since 2002. Among them are tens of thousands of long-term refugees whose land has been occupied by others. The many disputes over land constitute a serious social problem. Amounting to over 80% of their case load, the main work of courts and tribunals is settling land disputes. It should be stressed that the national commission for land and other assets (CNTB), set up in 2009 in accordance with the 2000 Arusha peace agreement, processes nearly 5 000 cases a year.



Several political measures to foster spatial inclusion in the decentralisation process exist, but these have not been properly implemented for diverse political as well as financial reasons. Among these measures, are: i) the national decentralisation, villagisation and co-operative policy document; ii) two planned decrees on decentralised co-operation and inter-communality; iii) the law on the transfer of responsibility to local councils; and iv) the law on local tax reform.

The land reform process begun in 2008 and the enactment of a new land law in 2011 give hope for further legal formalisation of customary land rights or for registration following purchase. The adoption in 2013 of the law on the transfer of responsibility to local councils is an important step forward in regulation. It introduced innovations such as the transfer of project management to local councils, which now plan and execute their own development. There are further innovations such as the division and distribution of available resources to local councils according to objective criteria or to the use made of transferred resources. Moreover, the recently adopted Burundian mining legislation stipulates, without details, that benefits accruing from minerals are to be shared between government and the local authority. The criteria for the sharing of these benefits will have to take into account this need for balanced development and the transfer of responsibility to local authorities. Despite progress in regulation, the realisation of inclusive development through the implementation of compensatory measures for underdeveloped regions, especially those of the North and North-East, is slow. There is a local-authority equalisation office administered by the national local authority investment fund (Fonic), based on the population and the poverty of the local-authority area, but there are no appropriate means of funding it.

CABO VERDE

Cabo Verde is an archipelago of ten small islands, with a population of about half a million people. Although the country's population has increased steadily from 341 491 in 1990 to 491 875 in 2010, the rate of growth has slowed down in recent years. In 2013, Cabo Verde's population was estimated at 498 897, an increase of only 0.9% from 2001, compared with an annual average of 2.2% from 1990 to 2000. However, this population reflects marked spatial distribution patterns. In 1990, more than half of the country's population lived in rural areas, while 44.0% were in urban areas. By 2000, the pattern had reversed: the population was 46.0% rural and 54.0% urban. As migration intensified, a little over one third of the total population was rural in 2010, while 62.0% lived in cities, mainly Praia, the capital city, and on the two islands of São Vicente and Sal.

Although Cabo Verde has made economic progress in recent years, there are pockets of spatial exclusion, as evidenced from emigration from underdeveloped islands. For instance, the population of São Nicolau decreased to 12 817 in 2010 from 13 665 in 1990. The same happened to Brava and other islands with fewer resources. In contrast, Sal, Boa Vista and Santiago, which have better economic prospects, have seen an increase in populations. Economic progress on these islands is mostly related to the tourism sector. In the last decade, the tourism sector has grown steadily. Sal, an island of 25 779 residents (5.2% of the national population), has been the main recipient of FDI in the tourism sector. Between 2006 and 2010 tourism-related FDI in Sal represented more than 50.0% of all FDI to Cabo Verde. And in the last two years, Sal and Santiago were the two main destinations for tourism-related FDI.

Increasing demographic pressures arising from inter-island and international migration have imposed a burden on infrastructure, leaving the authorities to grapple with the attendant environmental, social and economic challenges created by the mushrooming of illegal neighbourhoods in the cities. As a result, Praia, home to 40.8% of all immigrants, has experienced all manner of social problems, including a deterioration in sanitary conditions and a rise in crime. In 1995, more than 12 000 cases of cholera outbreaks were recorded in the city, and in 2009 Praia suffered from an outbreak of dengue fever, affecting more than 20 000 people. The recent rise in crime has been fuelled mainly by high unemployment, which stands at 12.8%, nearly double the national average of 7.6%. The number of registered robberies increased to 4 418 from 3 165 between 2011 and 2012.

Effects of climate change, such as regular flooding, are a result of both natural disasters and human settlements. Cabo Verde has an arid climate, and with rising population pressures a declining water supply is a major source of concern. Sand erosion and loss of biodiversity have also emerged as key environmental challenges, especially acute in Santiago, Sal and Boa Vista, where investment in tourism infrastructure has imposed pressures on natural resources.

As an island economy, spatial inclusion is crucial to Cabo Verde's long-term development. Addressing spatial and other development challenges that hold the country back from achieving inclusive growth would entail concerted efforts at all levels of government. In the last two decades, the authorities have devised economic, social and environmental strategies and undertaken investments and institutional reforms to mitigate against problems created by rising population density, such as outbreaks of waterborne diseases, congestion and associated pressures. Over the past decade, notable progress has been made, especially in water and sanitation. As a result, the proportion of households with access to waste and sewage disposal systems increased from 58.0% in 2007 to 66.8% in 2010 and 72.3% in 2013.

Cabo Verde's intervention strategy is guided by the long-term national development vision. The agenda for economic transformation has been operationalised since 2004 by a series of three



Growth and Poverty Reduction Strategy Papers (DECRP – *Documento de Estratégia de Crescimento e Redução da Pobreza*). The DECRPs have focused on key development challenges, including investment in human capital and basic infrastructure, strengthening governance and ensuring equity. They represent a national vision for fostering more equitable development on different islands, especially areas with widespread poverty and spatial exclusion such as Santa Catarina, where more than 60% of houses have no water connection from a public source. For instance, to integrate different regions of the archipelago, the government has prioritised improvement of transport infrastructure, particularly roads, airports, and bridges. Although these interventions contributed to halving national poverty in 2011 from 49% in 1988, there are significant regional variations.

The government has also instituted measures to address environmental pressures. Among them are the National Plan for the Environment 2004-14, the Strategic Plan for Tourism Development 2010-15, the National Action Plan to Fight Desertification and the n°29/2006 Law regulating Environmental Impact Assessments (EIAs) in sensitive areas. For instance, before large tourism infrastructure projects are undertaken in Sal and Boa Vista approval for an EIA must be obtained from the National Department for the Environment. Moreover, investments in sensitive areas are forbidden if there is a potential negative impact on nature or on the local population. In 2013, parliament approved a law to establish the National Agency for Water and Sanitation. Despite these measures, deep structural reforms are required to enhance efficiency in the sector.

Implementation of the country's development strategies requires not only human and institutional resources but also substantial financial outlays. To this end, the government has sought external support to supplement domestic resources. For example, in order to reduce the shortage of housing across the country, the government obtained a EUR 200 million loan from the Portuguese government to implement *Casa para todos*, a programme aimed at building 8 000 new houses and rehabilitating 16 000 others. The project is managed by the Ministry of Decentralisation, Housing and Spatial Planning. Furthermore, a total of USD 66.2 million in grants was accessed from the second tranche of the US's Millennium Challenge Account for Cabo Verde. Of this amount, USD 20 million is for direct provision of water and sanitation infrastructure to the most vulnerable families.

Beyond the strategies outlined above, many non-state actors also play an active role in improving people's livelihoods and safeguarding the country's natural habitat. With the active participation of all stakeholders, Cabo Verde is on course for a more resilient and prosperous society.

CAMEROON

Decentralisation has been under way for several years in Cameroon, with a law determining which powers should be transferred to regional and local authorities. Although there has been a shift towards more local governance, there is still no specific strategy or long-term vision for regional or local development. The authorities and specialist institutions such as the National Institute of Statistics and the Central Bureau of the Census and Population Studies use various spatial definitions to describe urban and rural spaces in the surveys they conduct. Urban areas are defined as all settlements with a population of at least 5 000, a minimum set of services (schools, health facilities, water, electricity) and a daily market.

The country's population grew by an average of 2.8% a year between 1987 and 2005. At the last census, in 2005, it stood at 17.5 million, up from 12.1 million in 1987. In 2014, the census bureau estimated the population to be 21.7 million. The country has ten administrative regions, with very different populations. The three most populous regions are the Far North, the Centre and the Littoral; the regions with the lowest population densities are the Adamawa, the South and the East. The urbanisation rate was 48.8% in 2005. The Littoral region, where the city of Douala is located, and the Centre region, where Yaounde is located, have the highest urbanisation rates.

Poverty is essentially a rural issue: the poverty rate is 55% in rural areas, but just 12% in urban areas. The Far North, North, Adamawa and East regions have the highest poverty rates, and they actually became more impoverished between 2003 and 2007. Although growth rebounded in 2009, the poverty rate fell only slightly, from 39.9% in 2007 to 38.7% in 2011. The country has vast inequalities, with a Gini coefficient of 0.39. Because of the lack of access to production facilities, the depletion of natural resources and the deterioration of the ecosystems, coupled with isolation and insufficient transport, the rural exodus has grown and the number of urban slums has increased. Cameroon therefore needs to adopt an integrated approach to land planning and urban development to synchronise their multiplier and catalysing effects. Local development strategies should include public-private partnerships, and enhancing the economic potential of regional and local authorities requires a proactive policy for the development of growth hubs. Connecting rural areas would also enable the development of value chains in the agricultural sectors.

There is a growing sense of exclusion and insecurity in some regions of Cameroon. The country is home to 250 ethnic groups, which have been relatively well represented politically since multiparty politics was introduced in 1990 and the Senate was opened in 2013. Although the two English-speaking regions in the west of the country seem to have gradually integrated with the eight French-speaking regions since reunification in 1972, feelings of exclusion remain in other areas. In the North, Far North, Littoral and West, the issues mentioned include: i) the sense that the Centre and South regions are over-represented in public and private senior administration; ii) restricted access to public procurement; and iii) suspicions of complicity between Boko Haram and the people in the predominantly Muslim northern regions since the Islamic group rose to prominence.

In addition, some communities, like the Baka people in the southern and eastern regions, sometimes feel marginalised. In the eastern regions, meanwhile, some of the Christian and animist groups feel they are being invaded by Muslim refugees from the CAR. Underlying tensions can be exacerbated by these feelings of exclusion and by the fact that different groups have ended up living in the same places. Pockets of fragility have emerged in the north and east of the country, which, coupled with the growing poverty, threaten the relative peace and social cohesion that have typified Cameroon for decades.



Another challenge is that the increasing speed of urbanisation is wiping out farmland around the outskirts of the cities. In rural areas, meanwhile, the urban elite are taking over the land of small farmers, a new phenomenon referred to as “second-generation farming”. This is compounded by the emergence of large groups and multinationals looking for vast areas of arable land, such as a Chinese company farming rice in Bifogo and the US company Heracles Farm, which obtained a 20 000 hectare concession in the south-west in November 2013 to produce palm oil. The growing pace of major infrastructure work (Lom Pangar and Memve’ele dams, Kribi deep-water port and Mbalam iron mines) has also raised tensions over compensation paid to the affected communities. The social changes generate tensions, since they place huge pressure on arable land and lead to changes in the ownership of productive capital in rural areas. Moreover, urban growth hubs around Yaounde and Douala have not provided decent jobs to people arriving from rural areas. Against this backdrop, the contracting models with small farmers developed by agro-industrial firms such as the Cameroon Development Corporation and the state cotton and palm oil companies Sodecoton and Socapalm are examples that ought to be replicated.

Cameroon has no specific, proactive strategy for territorial development, but the 2010-20 GESP does provide a framework for stimulating territorial development, pointing to decentralisation as a catalyst for the country’s future growth. Sector plans and policies deal with investments and provision of services at the national, regional and local levels, but there is no integrated operational framework. The provisional budget, which has been operational since 2013, seeks to improve results through better co-ordination of budget execution at the different levels.

Achieving such an objective will require a stronger institutional capacity. Decentralisation therefore represents a valuable tool for implementing a proactive policy for spatial inclusion and structural economic transformation. Recent national consultations on post-2015 and the achievement of the Millennium Development Goals served as a reminder that decentralisation is a catalyst for local results. It is therefore important to strengthen the legislative framework in order to clarify the roles, mandates, and levels of responsibility and accountability, in both deconcentrated and decentralised administrations. Prioritising local expenditure would improve how resources are allocated to the regional and local authorities to address the issues at stake. The primary focus should be on the most disadvantaged and vulnerable people in the Far North, North, Adamawa and East regions. That is the purpose of the XAF 925 billion (CFA Franc BEAC) Emergency Plan for 2015-17, launched on 10 December 2014 by President Paul Biya to accelerate economic growth.

CENTRAL AFRICAN REPUBLIC

The Central African Republic (CAR) has always had to face major challenges related to spatial inclusion, made more acute by the series of crises that the country has had to face since it won independence. This state of affairs is primarily due to the geography of the country, which has an enormous area of 623 000 km², and is entirely landlocked: the nearest seaport is 1 500 kilometres from Bangui. It has also one of the lowest population densities in Africa at seven inhabitants per km². The population, of around 4 million, is unequally distributed. There are three zones. The first, in the east, is what might be termed a “human desert” with fewer than one inhabitant per km²; the second is the centre, with average densities of four to five inhabitants per km², while in the west there is a more populated zone that, even so, does not exceed 12 inhabitants per km². The urban population is concentrated in Bangui, which has about 650 000 inhabitants or 16% of the total.

The inadequacy of basic infrastructure (transport, energy, information and communication technology, water and sanitation) underlines these geographical specificities and manifests itself in the spatial and geographic exclusion of communities and a worsening of poverty in the countryside. The 2011 report of the African Infrastructure Country Diagnosis (*Diagnostic des infrastructures nationales en Afrique*) shows that if the CAR improved its infrastructure to the level of that of middle-income sub-Saharan African countries, the rate of GDP growth per capita could reach 3.5% a year over the next ten years.

Spatial exclusion is especially acute in the north and northeast regions where basic services are virtually non-existent and state institutions and officials notable by their absence. This state of affairs finds expression in a low level of participation by local communities in the process of decision making and in the impossibility of building a state with popular legitimacy. It means that there are several competing focuses of power between the centre, around the capital Bangui, and the distant periphery of the rural areas which are more or less left to themselves. As a result, tensions between and within communities become inflamed at the slightest provocation with serious effects on a social cohesion within the communities that is already fragile.

Geographical exclusion based on community criteria has been regarded as one of the main causes of the present crisis in the country, the most serious that the CAR has known since it won independence. The crisis, marked by increased insecurity, deep divisions between communities and population displacement on a vast scale, has also radically altered the demographic basis on which successive governments have built their territorial, regional and spatial development policies in recent years. These changes resulted in the adoption of a strategy of PDDs with the backing of the European Union and the establishment of a ministry responsible for these issues. The PDD strategy was constructed around the regions, taking into account natural conditions and the relative advantages of the existing regions as well as the importance of secondary urban centres. The choice of sites selected to become PDDs was based on the following criteria: i) high population density, (more than 100 000 inhabitants); ii) elevated levels of poverty; iii) sustainable economic potential; and iv) a special importance given to security in respect of PDDs in the north west region.

The CAR has a geographical position that straddles two climatic zones: Equatorial in the south and Sudano-Sahelian in the north. It enjoys conditions suited to the production of foodstuffs and cash crops, stockbreeding and fishing, while there are also varied flora and fauna, together with mineral resources such as diamonds, gold, iron and uranium, among others.





CHAD

The Chadian government is seeking to achieve economic emergence by 2030. This will involve developing the country's resources, promoting social cohesion for a better distribution of the fruits of growth, and eradicating extreme poverty. Achieving such a goal remains ambitious given the many interdependent challenges on the socio-economic level (the oil shock) and the humanitarian and security levels (wars in neighbouring countries, security funding). It requires, in particular, the implementation of spatial planning policies in order to remove the numerous barriers and socio-economic obstructions that exist in the country. Chad's landlocked geography remains one of the principal handicaps to spatial inclusion. Its negative effects are amplified by the lack of national highway networks, despite progress in this field since 2003. The country is furthermore marked by spatial and temporal climate variability that leads to recurrent droughts and rainfall deficits. Chad is also characterised by the high fertility rate of seven children per woman, and as a result one of the highest annual demographic growth rates in the world, at 3.4%. Consequently, the population is forecast to double over the next 20 years. The demographic growth means that an additional 1.7 million jobs will need to be created to meet demand between 2010 and 2020, particularly among young people (two out of three Chadians are under 25), according to a study by the French Agency for Development (AFD). Although the rate of urbanisation of the population increased from 20% in 1990 to nearly 22% in 2013, Chad remains to this day a mainly agricultural and pastoral country. According to the latest census, carried out in 2009, the rural population stands at 78.2%.

The discovery and exploitation of natural resources has made some regions more attractive than others, including the Doba basin in southern Chad, where the main oil deposits are located. The flow of migration into these regions increases the demand for consumption and employment and invigorates the regional economy. But it also increases pressure on natural resources, creating land disputes in certain areas. The unbalanced distribution of natural resources and the effects of the various internal socio-political conflicts and security crises along the borders have led to territorial challenges linked to population movements and the management and planning of geographic space.

This situation not only affects social cohesion, inclusion and production and wealth creation systems within the communities of Chad, but it also explains the variability of net migration. Indeed, the country recorded negative net migration of 412 000 people between 1960 and 1994, followed by positive net migration of 292 000 people between 1995 and 2005, according to a study by the Ministry of Land Development, Decentralisation and Local Freedoms in December 2013. In 2011, the civil war in Libya led to the arrival and settlement of nearly 500 000 refugees. More recently, in 2014, the United Nations High Commissioner for Refugees ranked Chad as the African country with the second largest number of refugees, with an estimated total of 650 000, of whom 359 000 arrived from Sudan, 106 650 from the Central African Republic and thousands of others from Nigeria, fleeing the threat of Boko Haram. The 2000s were marked by major population movements linked to armed conflicts: war in Sudan, rebellion in eastern Chad, conflicts in the Central African Republic and Libya, and Boko Haram in Nigeria. The real challenge for the Chadian government is therefore to feed a rapidly growing population, ensure food sovereignty (agricultural yields have been between four and eight quintals per hectare for the last two decades), and make the most of existing natural resources.

These combined effects result in heightened pressure on land and a tendency towards overexploitation of natural resources. The rapid and expanding occupation of the regions of eastern and southwestern Chad has also taken its toll on the fauna and flora, especially with demand for fuelwood growing fast. The same situation exists with the management of pastoral



resources: with an extensive traditional system characterised by constant expansion of herds, pressure on pastoral resources is high. These pressures on natural resources lead to the progressive occupation of corridors intended for transhumance and of protected areas, causing conflicts among herders, farmers and foresters. Solving this problem will require local strategies for managing and sharing natural resources that bring together the various protagonists.

Against this backdrop, a draft law on the pastoral code, initially adopted by Parliament on 11 November 2014, had to be withdrawn at the request of the head of state because of numerous controversies. All of these difficulties highlight the necessity to provide Chad with a national spatial-planning strategy, since the country never implemented a real blueprint for spatial development until 2014. With the exception of five-year development plans, there has always been separate planning for each economic sector over various time periods. These strategic frameworks are not part of a long-term vision addressing the economic, social, environmental and climate challenges. The government therefore prepared a national land-use plan in 2014 to provide the country with a tool for planning and managing integrated development. This important decision was taken as part of the decentralisation process, which has four fundamental objectives for emergence by 2030: i) to correct territorial imbalances (geographic location, human and natural resources) and foster regional and local development hubs; ii) to ensure food sovereignty and access to water for all; iii) to ensure consistency and fairness in the establishment of infrastructure, equipment and public administrations; and iv) to provide land-use directives geared towards spatial fairness and development of the regions in relation to their potential. Operationally, however, the decentralisation process that got underway in Chad more than three years ago had still not found its cruising speed in 2014, due to the continuing low level of public awareness about this process, but especially due to the limited self-financing capacities of communities and the difficulty of gaining access to planned funding. In this context, the blueprint for spatial planning should be supported by the implementation of a long-term development strategy that is committed to making Chad an emerging country by 2030 – through three five-year development plans over the 2016-30 period. This long-term development strategy, the first phase of which is currently being launched, will take into account not only the sharing of natural resources, but also the responsible management of fertility and of the effective operationalisation of socio-economic reforms.



COMOROS

The Union of the Comoros has the peculiarity of being a small developing archipelago state made up of three islands: Anjouan, Grande Comore and Mohéli. The absence of territorial contiguity is a natural factor that hinders the free circulation of goods and people within the country.

According to the latest census, the population was 575 600 in 2003. It was estimated to have reached 764 000 in 2014, with an annual growth rate of 2.1%. The country has one of the highest population densities in Africa, with an average of 411 inhabitants per km², compared with 309 inhabitants per km² in 2003. Anjouan is the most densely populated island, with 763 inhabitants per km² in 2014, almost twice the national average and five times greater than on Mohéli.

Much of the population of the Comoros lives in the countryside. The urbanisation rate is 28%, with Mohéli having the highest (55%), followed by Anjouan (29%) and Grande Comore (24%). Broadly speaking, the urban population has grown more rapidly than that of the countryside in recent decades, with an annual increase of 4% between 1980 and 2003, compared with only 2% for the rural population. The number of urban centres rose from nine in 1980 to 21 in 2003 with 76% of the towns situated on Anjouan.

Two related factors account for the large differences in population density: on the one hand very high fertility rates in the poorest islands and regions, which are overpopulated; and on the other an exodus from the countryside to the towns, usually the islands' capitals. The overpopulation of Anjouan thus leads to a high rate of migration to Grande Comore and Mohéli, a factor intensified by growing rural poverty and the lack of job opportunities outside the agricultural sector. The rural areas of Grande Comore are also affected by migration. As with the inhabitants of Anjouan, those living in these deprived areas migrate to the capital Moroni and the island of Mohéli, less populated and less poor. As a result net inflow reaches 78% in Moroni and 29% on Mohéli, while net outflow particularly affects Anjouan (-37%) and Grande Comore (-32%, excluding Moroni). The movement of people from poor towns to urban centres can be seen on all the islands.

Estimates of the size of the population in 2025 suggest that there will be a serious problem in territorial development in the Comoros Islands in the years to come.

Conflict between communities linked directly or indirectly to population density has appeared since 2007, exacerbated by the island nature of the country, similar to the first secessionist crisis in Anjouan from 1997 to 2002. In 1997 the island demanded its independence and tried to secede by creating its own institutions, an action that cut it off from the rest of the country for four years until the crisis was resolved by international military intervention. The origin of the conflict appears to be political, with Anjouan calling for better sharing of responsibilities, but the main reason was the severe poverty on the island, the most disadvantaged and heavily populated in the country.

In recent years a series of conflicts highlighting border and land claims have brought neighbouring communities into confrontation. Those with large populations are in general the most vulnerable, as is the case with Anjouan where pressure on land is very high. Mohéli is not densely populated but high rates of immigration from the other two islands create tensions. On Grande Comore, Moroni's status as capital city leads to heavy pressure on land. Longstanding legal disputes between the capital and neighbouring towns regularly resurface, such as that over a contested tract of land, which has pitted Moroni against the adjoining commune of Ikoni for 20 years and which saw an upsurge in tension in May 2014.



Territorial disputes exist on all the islands and could become more common in future if the authorities do not take adequate steps, in the form of rational land planning and the fair division of resources and jobs in the different localities.

But the state is faced with the thorny question of the coexistence of different legal systems – modern rights drawing inspiration from French law, religious rights and traditional rights – which does not help the effective management of land and is even often at the root of territorial problems. In addition the state is still powerless when it comes to establishing its authority in the face of local communities which help themselves to their neighbours' land without feeling that they belong to one and the same country. Community interests prevail over those of the nation and territorial disputes persist.

There is no territorial development policy in the Comoros, though one was discussed for a long time. But a policy of this kind requires the harmonisation of different property rights, a sensitive task, and the establishment of a new institutional framework. The Strategy for Accelerated Growth and Sustainable Development put the issue back on the agenda with priority programmes that concentrated on the definition and implementation of a territorial development policy. The challenges are huge: every plot of land must be identified, scheduled, judged and inspected before a policy can be defined which will put in place coherent spatial frameworks for any development activity. Territorial development will also complete the national planning system.

The aim of the government for 2015-19 is written into the policy aims of the SCA2D. It takes the form of spatial planning according to population growth, by means of drafting a national land development master plan and an appropriate blue-print for each of the three islands. The government also intends to push ahead with a national programme to register both developed and undeveloped properties in Moroni, to be undertaken over a five-year period. In the long run the aim is to establish a land registry so that property titles can be made more secure and the very high number of property-related lawsuits can be limited. The programme is essentially focused on Moroni and will be subject to a three-year evaluation before being rolled out to the rest of the country.

CONGO

The major functions that colonial developers attributed to the Congolese economy and the development strategies they subsequently implemented led to unbalanced spatial planning. This trend has sharpened strongly over the last two decades. Brazzaville (the administrative and political capital) and Pointe-Noire (the economic capital) are the two pivotal cities in Congo's spatial system. Nearly 57% of the population is concentrated in these two agglomerations (2007 census), whose densities are greater than 13 000 inhabitants per km², compared with a national density of 10.8 inhabitants/km². Northern areas, by contrast, are underexploited and still underpopulated, with densities lower than 5 inhabitants/km².

Economic opportunities and investments are concentrated in the country's two main cities. Economic activities, notably in the oil sector, remain strongly concentrated in Pointe-Noire, making it the main pillar of the economy. Brazzaville is the country's second economic hub and the main administrative centre. Reflecting a strategy of enhancing the economic potential of these two regions, public and private investment are also concentrated in Brazzaville and Pointe-Noire, as are transport and telecommunications infrastructure, and to a lesser degree social infrastructure. This strong economic polarisation has led to major geographical imbalances between urban and rural areas in terms of poverty and access to essential public services. The incidence of poverty is 74.8% in rural areas, compared with 32.3% in urban areas. Access to electricity is estimated at 10% in rural areas and 53% in urban areas. Major regional disparities also exist in access to education and health care. The average number of years of study among the active population is 9.4 in urban areas, compared with 5.0 in rural areas. Around 85% of households in Brazzaville and 72% of households in Pointe-Noire live less than 30 minutes away from a health centre, compared with 46.5% in rural areas. Moreover, rural areas, where transport infrastructure is sparse, remain poorly connected to the rest of the country despite significant potential, notably in the fields of agriculture and forestry, which are insufficiently exploited due to the isolation of production zones.

Employment opportunities in oil exploitation in Pointe-Noire and in the civil service in Brazzaville, as well as the concentration of public amenities in these two regions, notably for health and education, have led to significant migrations of rural populations to these cities. An increasing number of young adults are moving to the cities from rural areas, including from the main agricultural areas, in order to continue their education or to find jobs. According to the 2011 ECOM survey, slightly more than 13% of the inhabitants of Brazzaville and Pointe-Noire come from rural areas. National and sub-regional sociopolitical crises, linked in part to the exploitation and management of natural resources, have also sparked major migrations over the last three decades, including refugees from Angola, Central African Republic, Democratic Republic of Congo, Chad and Rwanda. In addition to reshaping the demography of certain *départements*, these population movements constitute an environmental threat and a potential source of spatial tensions.

In order to correct regional imbalances and ensure greater spatial inclusion, the government has introduced mechanisms, structures and public policies focusing on regional development and spatial planning. A framework law on spatial planning and development was enacted in October 2014. Plans for territorial development of the *départements* are being drawn up to supplement the national SNAT plan (*Schéma national d'aménagement du territoire*) adopted by the government in 2005. The 2012-16 PND has made balanced and sustainable development one of the five main lines of action in the government's poverty reduction strategy. Via this pillar, the government intends to improve the balance of development in the country's various *départements* by implementing programmes oriented towards decentralisation and spatial development, notably through



accelerated municipalisation. Within this framework, the government has run a proactive public investment programme over the last decade that has eased the geographic isolation of the country's *départements* by providing them with major economic and social infrastructure, thus reducing regional inequalities and creating the conditions for balanced development. Under the programme, each *département* received investment to the tune of around XAF 450 billion a year (CFA Franc BEAC), allowing new national and regional roads of strategic interest¹ to be built that foster the emergence of growth hubs like the city of Ouesso, in the north. However, there is still a major shortage of paved roads. New special economic zones in the other regions of the country (notably Oyo-Ollombo and Ouesso), as envisaged under Pillar 5 of the PND, should also contribute to greater balance in territorial development, but the quality and targeting of public policies on regional development will need to be improved.

A Ministry for Territorial Development (*ministère de l'Aménagement du territoire*) was created in September 2012 to steer public spatial policies. The creation of this ministry, under the direct authority of the Office of the President of the Republic, reflects the determination of the authorities to make territorial development a pillar of their strategy for structural transformation of the economy. The ministry has offices for territorial development (*Direction générale de l'aménagement du territoire*) and local development (*Direction générale du développement local*), responsible for conducting territorial planning and for translating policy guidelines into concrete actions, and an office for major construction works (*Direction générale des grands travaux*). These directorates have piloted the implementation of proactive public investment programmes, notably the construction and rehabilitation of economic and social infrastructure in the country's various *départements* within the framework of accelerated municipalisation, as well as the modernisation of the autonomous port in Pointe-Noire and the Congo-Ocean Railway. Although these bodies have the necessary financial resources to carry out their missions, human resources remain insufficient for implementing regional policies and development plans. This is also the case for the other sectoral ministries involved in territorial development, as well as for the departmental councils established within the framework of decentralisation for steering local development initiatives. In addition, there is insufficient co-ordination of sectoral strategies and of the various people involved. To meet these challenges, public-sector actors have the support of technical and financial partners who provide technical assistance for capacity-building.

Note

1. The other major achievements concern the construction of: i) roads linking all the departmental capitals to national highways; ii) a national highway linking Brazzaville and Pointe-Noire; iii) a hydroelectric dam serving a large part of the north of the country; and iv) more than 1 000 wells in rural areas within the framework of the Water for All programme.



CONGO, DEM. REP.

The Democratic Republic of the Congo, geographically almost landlocked (with nine neighbour-countries and a single point of contact with the sea) and with poor roads and transport, has sharp social and economic inequalities among its inhabitants, among provinces and between rural and urban areas. The provinces with extensive raw material resources generally attract more investment. Most people live in the countryside, where living conditions are much worse than in urban areas, especially concerning jobs, energy, proper housing and sanitation. Rural areas have meagre infrastructure, with little electricity or water supply, which makes it hard to set up modern health care centres and private schools. There are also major infrastructure disparities among the provinces. National electricity coverage is only 10.3%, and this average is exceeded only in the provinces of Kinshasa (59.5%), Katanga (17.7%) and Bas-Congo (15.6%). The other provinces have no more than 4.3%. If the extent of the road network (total length of national and provincial roads) is taken into account, infrastructural disparities among the provinces are even sharper. Except in Kinshasa, Bas-Congo and Katanga, housing is made of non-durable materials, mostly rammed earth and mud brick. Inequality is even greater in other property matters, such as apartment blocks and plots of land.

Income inequality depends on the activity, its importance in the economy of each province and where it is situated. Extractive and manufacturing industries, commerce and services pay the highest average salaries in the country. Informal-sector firms pay little owing to their low productivity but they still allow a sizeable part of the population to feed and clothe itself. Financial activity is very dependent on economic activity and infrastructure and is thus greater in provinces with good economic results and where incomes and spending are high enough to attract financial institutions. Agriculture occupies about 70% of the population but its yields are low, partly because of primitive production methods and the bad state of rural roads. Many places are isolated and have problems getting their produce to market. Large amounts of food crops rot for lack of storage, and months of efforts by farmers are undermined, increasing their poverty. This has boosted an exodus to towns and cities since the early 1990s, depriving the countryside of much of its manpower and leading to a population explosion in the major cities that increases poverty and juvenile crime. In some places, notably in the east, fighting or ethnic conflicts, mostly about access to resources, have caused or increased migration.

The government has tried to reduce poverty and rural-urban living-standard disparities since 2007 through decentralisation, so as to bring government closer to the population and to tackle real development problems at the grassroots and development disparities among the provinces. The number of provinces is due to increase from 11 to 26. Since adoption of the new national constitution and the 2006 general elections, a new judicial-institutional framework has been put in place, basic laws have been adopted and provincial assemblies and governments have been installed. Government powers and funding are to be gradually transferred to provincial authorities. The government has extensively upgraded and modernised infrastructure since 2007 to reduce isolation and increase links among provinces and regions in order to develop the country's economic potential. A USD 9.2 million contract has been signed with a Chinese consortium to build basic infrastructure in exchange for the country's minerals. The government's development strategy is based on the need to create conditions to speed up wealth creation in order to meet the population's basic needs and improve their access to social services. To encourage local processing of agricultural and natural resources, it plans, with World Bank support, to create centres of economic growth in major production areas that will include agro-industrial parks to complement the activity of agricultural sectors. Five special economic zones focused on specific activities are due to be set up in 2015 under public-private partnerships. The



private operator will be chosen by international bidding and will promote the project with the economic players until the process is complete.

But challenges remain, including slow transfer of authority to the provinces due to delays in transferring funds to them. The constitution requires that 40% of the central government's revenue be paid to the provinces but, in practice, not all of it is transferred and is instead subject to political deals. Decentralisation of natural resources management, required under the law, is also still ineffective, and local people's involvement in decision making is insignificant. Urbanism in the DRC is still marred by squatting on unproductive cleared land, and by lack of supervision and procedures for building and maintaining basic infrastructure and shared equipment. The risk of disaster in the occupation of sites in danger of flooding, silting, erosion and landslides is very high. The country's urban population will reach 30 million in 2015, up from 17 million in 2000. This rapid expansion requires major work in the organisation of towns, cities and their neighbourhoods. Urbanism is currently regulated under a June 1957 law that is quite inadequate owing to the lack of approved and updated urban planning in the towns. In some places, economic activity is sluggish because of customs and rules about use of arable land. The country has a liberal economic model, but it also has non-legal barriers to owning and using land. Land disputes also erupt because of weak governance in local bodies that illegally grant rights to property, land use and construction.



CÔTE D'IVOIRE

Côte d'Ivoire's 31 regions have many obvious advantages with the potential to expand the economy further. Despite their poor condition, the country's paved and unpaved roads support a great deal of activity (transporting about 4.5 million tonnes of goods a year, according to the government). Suitable local climates and different kinds of farmland enable cultivation of a range of tropical agro-industrial and food products in great demand worldwide (cocoa, coffee, rubber, palm oil, cotton and tropical fruit) and regionally (plantains, rice, maize, yams and cassava). Côte d'Ivoire is at the centre of the Economic Community of West African States market and its ports and main roads provide access for goods to and from landlocked Mali and Burkina Faso, but much remains to be done to correct spatial inequalities that have built up over the past 20 years. The aim is to give local authorities the ability to launch structural projects and stimulate job creation.

Côte d'Ivoire experienced fairly robust local activity in the 1970s and 1980s, with the opening of the port of San Pedro, the building of major national roads and policies to promote agricultural sectors. In the early 1990s, the country went into deep recession after export prices of its leading farm crops fell. Regional disparities in economic development and public services began to show and have since worsened.

About 90% (5 850 km) of the country's paved roads were built between 15 and 40 years ago, and in Côte d'Ivoire road surfaces are usually designed and built to last only 15 years. According to the state road management agency (*Ageroute*) in 2013, upgrading these strategic roads, at an average XOF 200 million (CFA Franc BCEAO) per km, would cost about XOF 1 170 billion. The agency, set up in 1997 after the reform of various road-maintenance bodies, oversees the road network and manages the national road-maintenance fund (*Fonds d'entretien routier – FER*) set up in 2001. The roads have steadily deteriorated, especially as a consequence of the 2000-11 social and political crisis and of years of insufficient spending on their maintenance. An additional problem is the cost of upgrading unpaved roads, including several strategic ones in the northwest and rural areas that are still isolated. These strategic roads have been listed in the community action programme for transport infrastructure (*Programme d'actions communautaires des infrastructures de transports*) adopted by the West African Economic and Monetary Union in 2001.

All the provinces in the northern half of the country had less electricity coverage than the national average in 2011, and five of them (Bafing, Béré, Bounkani, Hambol and Poro) had fewer than 15% of their towns connected. Despite progress over the years, according to the 2012 demographic and health survey (*Enquête démographique et de santé*), 44% of households (71% rural and 12% urban) still do not have electricity.

According to the United Nations Educational, Scientific and Cultural Organization, in education spatial inequality is much worse than gender inequality. In 2011, 62% of adolescents in the north-western region were not in school, and only 8% of 15-to-24-year-olds there completed secondary education, figures sharply different from the national average (42% and 27%, respectively). According to the United Nations Development Programme's 2013 *Human Development Report*, the region also had the country's lowest human development index (HDI) in 2011. The south-eastern region scored best HDI thanks to the density of economic activity in the southern (especially Abidjan), east-central and south-western parts of the country.

The government seems aware that land laws are still poorly established and that procedures need to be simplified. Prime Minister Daniel Kablan Duncan said in December 2012 that President Alassane Ouattara would revive the process without endangering progress already made and that land belonged to Ivoirians (the government, municipalities or individuals). Foreigners who



owned land before the land law was introduced would also keep it. Other foreigners (individuals or firms) would be able to apply for long leases of 15, 20 or 99 years.

The 1998 law was only slightly amended in 2013. The government in 2014 had parliament approve a new body, the national chamber of kings and traditional chiefs (*Chambre nationale des rois et chefs traditionnels de Côte d'Ivoire*), to receive government grants and participate more in resolving problems as intermediaries in village-level disputes, especially regarding land ownership, between citizens and the government. Between 2002 and 2011, rural land disputes provoked tension and violence between communities. The key cocoa and coffee-producing western region near the Liberian border was especially affected.

Several spatial-inclusion policies have been at work since the 2011 elections. The government reorganised the country into 12 districts and 2 autonomous districts in September 2011 and increased the number of regions from 19 to 31 in order to rationalise the administrative network. Districts will be the focus of major development and investment projects to help reduce regional disparities. In February 2014, the FER, a state body under the Ministry of Economic Infrastructure, managed to raise XOF 130 billion (EUR 200 million) from a consortium of seven foreign banks to fund its 2014 road-maintenance programme.

The government launched a USD 3 million revolving fund in 2013 to pre-finance the cost of providing electricity to “less well-off” groups of the population and a special “social connection” scheme for the poorest households. The immediate contribution of applicants was thereby reduced to XOF 20 000 for an average connection-subscription cost of XOF 85 000. The beneficiary reimburses the remaining XOF 65 000 pre-financed by the fund in 13 two-monthly instalments of XOF 5 000. Nationwide, 3 124 new connections were made in April 2014.

The “social connection” scheme for the poor involves contributing only XOF 1 000, with reimbursement of the remaining XOF 149 000 over ten years (a two-monthly instalment of XOF 3 836, or XOF 47.94 per kWh on top of the prepaid meter rate). The national rural electrification programme (*Programme national d'électrification rurale 2020*) adopted in July 2013 aims to connect all the country's 8 513 towns and villages with a population greater than 500 by 2015, and then the entire country by 2020, for an estimated cost of around XOF 220 billion. About 500 new municipalities were connected in 2013, increasing national coverage to 37%. Due to the programme's financial problems, only 200 of 1 000 planned connections in 2014 had been made by September.

A strategic plan to provide access to information and communications technology includes encouraging local involvement among its five focus areas. The rapid expansion of telephone banking is already promising as a way of promoting financial inclusion among the population. Mobile distribution networks for financial services exist nationwide, and more than 30% of economically active Ivoirians were signed up to them in 2013.

All the same, much remains to be done to boost economic activity and jobs throughout the country. Local investment and development programmes depend on government subsidies as well as on funds from decentralised foreign aid or Ivoirians living abroad, given that the cost is far beyond the government's capacity. The quality of local planning is quite good, with strategic programmes and three-year plans, as well as two technical assistance bodies, the national agency for rural development (*Agence nationale d'appui au développement rural*) and the national technical and development survey office (*Bureau national d'étude techniques et de développement*), but local authorities and their organs – the assembly of regions and districts (*Assemblée des régions et districts de Côte d'Ivoire*) and the union of towns and municipalities (*Union des villes et communes de Côte d'Ivoire*) – do not raise money by issuing bonds or through investment funds. This weakness hampers large-scale economic projects and ones that require public-private partnerships.



DJIBOUTI

Djibouti's population is estimated at around 900 000 in a territory of 23 200 km². Its ethnic diversity (Afars, Somalis and Arabs) provides great cultural variety. Annual demographic growth is high (nearly 2.8%). Djibouti is one of the most urbanised countries in Africa, with a rate of urbanisation that surpassed 50% in the 1960s. The concentration of economic activities and jobs in the city of Djibouti, notably around the port and foreign military bases, as well as unemployment and droughts, have encouraged a considerable flow of rural population to the capital. About 80% of the country's population lives in towns, with more than 60% in the city of Djibouti, the capital. Urbanisation is proceeding at a very swift pace, and the issues of economic and social development are now concentrated in urban areas.

The country, moreover, faces a constant flow of migrants to Yemen and the countries of the Arabian peninsula, in particular Saudi Arabia and the Gulf states. These foreigners come primarily from Ethiopia, but also from Somalia and Eritrea, fleeing armed conflicts and the droughts and famines of the region. Every year the International Organization for Migration calculates nearly 100 000 migrants transit through the coastal town of Obock to reach the Arabian peninsula. In 2013, the United Nations High Commissioner for Refugees estimated that there were 25 340 refugees in Djibouti, most of them from Somalia.

Natural conditions are not favourable to agriculture, which is dominated by livestock farming, with crop production limited to a little market gardening. The drought of the 1980s provoked a major flow of pastoralists to the capital, accelerating the decline of traditional nomadism. The agricultural sector represents only 4.5% of GDP. Despite numerous opportunities, industry is lagging and represents just 15% of GDP. The entire economy is concentrated in tertiary sector activities, which are almost all located in the city of Djibouti and employ most of the country's active population.

The current national context in Djibouti makes the development gap between the capital city and the interior regions all the more apparent. This gap is even more perceptible among the towns themselves. Reducing the gap was a stated objective when the country became independent in 1977, but the development gap between the capital and the rest of the country is constantly widening.

Despite progress in recent years in terms of access to drinking water, a large part of the territory has none and is exposed to recurrent droughts. More than 120 000 people, or 50% of the rural population spread over 54% of the territory, are affected by food insecurity in rural areas. Nomads and members of pastoral communities are affected by reduced water supplies. The progressive disappearances of livestock and the rising price of imported goods are gradually exhausting the survival strategies of these groups, which have no choice but to migrate to the capital.

Economic activity is increasingly concentrated in the capital, with the interior regions participating very little in the national economy. This trend is likely to intensify with the launch of major projects in the city of Djibouti, complicating demographic management and the problems implicit in the concentration of people, as the city is not prepared to accommodate the newcomers. Pauperisation is rampant in the city of Djibouti, in particular because of food insecurity and limited access to basic social services. This situation is laden with socio-political insecurity, as the leadership has already sensed.

The public authorities have understood for about 20 years that development and its sustainability depend upon the efforts made to correct imbalances between the capital and regional towns. With the continuation of the main factors of development in the capital, there is



a real risk of compromising the development prospects of the regions, and even those of the capital and the country as a whole.

In a city-state context, the authorities mean to include the urban development of secondary towns in a strategy of territorial balance and economic and social growth that would be capable of both slowing migration to the capital and creating the conditions necessary for an efficient battle against urban poverty. The settling of nomad populations in the country's various regions could, in time, slow the rural exodus to the capital, with regional capitals given responsibility for absorbing and stabilising a good part of the migratory flow. Since becoming aware of the problem, the authorities have designed new territorial initiatives in order to spread the pressure better and ease imbalances. Laudable in principle, these initiatives aim to regulate the question of urban imbalance progressively by promoting factors of sustainable development in regional towns. But they remain to be implemented. The last two decades have witnessed several actions in favour of the regions, which led to indisputable progress in the sectors of infrastructure, education, health, agriculture, etc. However, the different sectoral policies aimed at improving the distribution of development factors throughout the national territory have not yet achieved the intended goals.

In its long-term development plan Vision 2035, the government of Djibouti presented its conception of the country's geographic development. The authorities set the goal of arriving at balanced and sustainable territorial development by spreading the population and economic activities in a sensible manner. Infrastructure creation, and opening up zones of mineral resources and production, should promote the exploitation of the specific economic potential of each region, with the creation of secondary towns as poles of internal development and access to public services. The advantage conferred by the territory's modest size will be enhanced by optimisation of the services and infrastructure on offer: the services of ports and free trade zones, airport and road services, telecommunications services, financial services and infrastructure that allow businesses to minimise production and transaction costs.

Rural development will be reinvigorated and strengthened by new sources of diversification and economic growth, which will allow the country's supply capacities and people's incomes to increase and will stabilise populations in their environment. Even if no society has developed in a predominantly rural environment, urban growth will be controlled and the demographic growth of the capital managed through urban planning. The population of the city of Djibouti and the main towns of the regions should thus represent only 50% of the population by 2035, compared to 75% in 2014.



EGYPT

Despite the presence of a local administration law giving governorates sovereignty over their affairs, during the Mubarak regime it was not implemented and decisions affecting the governorates were taken by the central government. Cairo and Alexandria, followed by the Suez Canal governorates (Ismailia, Port Said and Suez), are the main business and residential hubs. An estimated 47% of Egypt's economic and social establishments are in the Cairo and Alexandria governorates, which host 25% of the labour force. With a 1.6% population growth rate, which is on the decline, and with 2.81 live births per woman, Egypt is a densely populated country. Upper Egypt, where poverty prevails, is deprived. The rural population composes 56.6% of the total.

Internal migration rates remain low due to poor education levels and the resulting non-competitive skill set; labour that is tied up in agriculture, either as in paid employment or unpaid family workers; and rural households' ability to raise a portion of their own food offsetting the impact of soaring food prices and reducing the incentive to migrate. Internal migrants are statistically more likely to find employment and they earn higher wages than non-migrants at educational levels rising from TSSs.

Lower Egypt is the preferred destination for migrants (64%), followed by Cairo (17%). Governorates with high migration inflow rates tend to be of low population density and have below average unemployment rates, which explain their attractiveness. Port Said, Suez, Red Sea and Ismailia rank the highest among the governorates in terms of net immigration.

According to the *Global Competitiveness Report 2014-2015*, Egypt's rank improved from 41st out of 144 countries in 2009 to 38th in 2014 for cluster development. The improvement is due to recent shift of focus of policy towards supporting existing clusters and establishing new ones. Clusters have been established in Egypt for a long time and there are major existing organic clusters, such as the Damietta Furniture Cluster, the Sha'a El Te'aban District Marble and Granite Cluster, the Sharm El Sheikh Tourism Cluster, the El-Mahalla El-Kubra Textile Cluster and the Robiky Leather Manufacturing Cluster. One of the oldest traditional clusters is the furniture manufacturing industry in Damietta where Egypt has managed to upgrade a local industry and integrate it into global value chains. The Smart Village in Cairo is also another important operational technology non-organic cluster and Business Park that has proved to be successful. It offers a host of connective services from business support to athletic facilities, which distinguishes it from traditional cluster models.

Social inclusion in Egypt is not without tension, most of which can be traced to religious and political polarisation. The Islamic parties have been more dominant in Upper Egypt and in low-income districts of Cairo. Moreover, attempts of reintegrating the Bedouins of Sinai into society have not proven successful, especially in the context of the continuing armed conflict in North Sinai between the military and Jihadist groups. The conflict disadvantages the Bedouin because of interruptions to transport infrastructures and the risks posed by frequent bombings.

The Suez Canal Area Development Project seeks to transform the Suez Canal area into an international business hub. Although the final master plans of the project have not yet been published, it is known that it will include road and rail tunnels under the canal, enlarging existing ports, creating new industrial areas and revising the free-zone concept already existing in Port Said. The project aims to attract investment and provide more employment opportunities to reduce migration to Cairo. Among the key sectors that will be prioritised in the project is ICT, which is expected to create jobs. One of the objectives is to capitalise on existing quality education and living conditions in the area which hosts the best ICT technical school in Egypt.



The government has been investing in improving accessibility to clean water, which has led to the expansion of drinking water networks in urban areas from 89% to 100% and in rural area from 39% to 93%. However these connection figures are not representative of the quality of water, which has a direct impact on societal wellbeing, specifically on health. Moreover, the irregularity of water supply also a source of popular frustration and water cut-offs are common occurrences. Villages in Upper Egypt suffer most from water cuts and lack of access, while most of the slum areas in Cairo do not have access to tap water and are supplied through mobile tanks that come with irregular frequency.

The shortage of affordable housing particularly disadvantages young people. The problem is mainly evident in high population-density governorates like Cairo, Alexandria, Assiut, and Menya. Most real estate expansion is in Cairo and Alexandria but is geared towards high-end housing. There is also a lack of adequate mortgage financing schemes with low-interest loans for low-income households. The Suez Canal governorates have relatively low percentages of unplanned and/or unsafe slum areas, compared to the rest of the country.

The Ministry of Urban Renewal and Informal Settlements is currently focusing its efforts on developing interventions for unsafe areas through facilitating community dialogue and public participation, as well as supporting the provision of services in collaboration with relevant localities. There are two major initiatives. The first is the Suez Canal Area Development Project that aims at creating new urban communities around the Suez Canal. This should lead to an expansion of middle- and low-income housing supported by new mortgage facilities in a new housing model that could subsequently be extended to the national level. The second initiative is the development of the new Capital city which will include about 350 000 housing units and 10 000 hotel rooms.



EQUATORIAL GUINEA

Equatorial Guinea's geography is unique, comprising several islands and the mainland. The total surface area is 28 051 km², including the 2 034 km² island of Bioko, where the capital, Malabo, is located. The mainland area, wedged between Cameroon to the north and Gabon to the south and east, covers 26 017 km². The population density is low, estimated at 62/km². According to BEAC calculations, Equatorial Guinea had a population of 1 835 270 in 2014, a figure reached by applying 3.6% annual growth to the figure of 1 014 999 obtained in the last census, in 2001. Most of the population live in the cities of Bata, Malabo, Mbini, Ebebiyin and Mongomo. The next general population census, scheduled for 2015, will bring this data up to date.

The main feature of Equatorial Guinea's economic geography is trade between the mainland, where the economic capital Bata is located, and the island of Bioko, where the political capital Malabo is found. Otherwise, offshore oil production is the main activity. When major oil and gas deposits were discovered in the 1990s, the economy boasted one of the highest economic growth rates in Africa. It became the third leading oil producer in sub-Saharan Africa, after Nigeria and Angola, and the leading producer in the franc zone. The discovery occurred in the particularly favourable context of a surge in the price per barrel, allowing Equatorial Guinea to achieve record nominal GDP growth rates, averaging about 60% per year between 1993 and 2012.

This growth financed spatial developments that were essential for managing national land use. A vast road network was built on the mainland and the islands. Meanwhile, numerous airlines and shipping companies provide transport between the different parts of the country, and several flights a day connect Bata, Malabo and the country's other cities. Modern airports were also built on the islands of Corisco and Annobón, boosting domestic trade.

Urbanisation accelerated as a result of this rapid growth and a proactive policy designed to improve the quality of life. Thousands of social-housing units were built to accommodate people moving into the cities, such as in the new town Malabo 2, or in the vast residential Buena Esperanza district in Malabo.

This urbanisation policy allowed the authorities to improve their response to needs in the areas of health, education, and access to drinking water and energy. The government plans to offer a series of infrastructure to improve the quality of urban life. The road, housing and social infrastructure blueprints have been designed as complementary in order to benefit from economies of scale.

In order to stimulate spatially balanced growth on the country's mainland, the government supported the construction of a new city, Oyala, testifying to the government's determination to direct public investment towards high-growth areas. Oyala is located in the central eastern mainland of Equatorial Guinea, approximately 30 km from the country's eastern border with Gabon. The construction site has mobilised hundreds of international enterprises within a 15 km by 15 km square to build highways and roads, administrative buildings, social infrastructure, an international university campus and many housing units. The city has been designed to become the country's "Brasilia" and to accommodate a population of 200 000.

Low-density rural areas and an oil-dominated economy make food security a problem. A large quantity of food has to be imported, mainly from Cameroon, to meet demand. Aware of the need for food self-sufficiency, the government has launched vast plans to exploit the country's comparative advantages in fish, crop and livestock farming. These include the 2008-2020 PNDES, of which the first phase aimed to develop infrastructure, and the second phase plans to diversify the economy and lay the foundations for sustainable, inclusive growth underpinned by the private sector by enhancing human capital and creating a business-friendly environment. One of



the main goals consists in exploiting the country's geographical specificities in order to stimulate the development of logistics hubs. Malabo is set to become an important maritime and oil hub for Central Africa thanks in particular to the deep-water port in Malabo and the Punta Europa gas train (gas liquefaction terminal).

On the mainland, the excellent port infrastructure in Bata and Mbini coupled with the modern east-west road network between Bata and Mongomo allow the country to compete with the port of Douala in Cameroon for the routing of goods in Central Africa. Thanks to these potentialities and the new connecting infrastructure (roads, energy, etc.), Equatorial Guinea is a driving force in regional integration, in particular within the CEMAC.

Alongside the land-development policies, the PNDES plans to institute a rural land register to allow the best possible land allocation and sustainable management of agriculture while preserving forest areas, fallow areas, rivers and other natural resources. The Ministry of the Environment is conducting studies and drawing up the necessary inventories to allow controlled use of the natural resources and to preserve the country's ecosystems.



ERITREA

Eritrea comprises six regions (zobas) and three major physiographic zones: the Western Lowlands, the Central and Northern Highlands, and the Eastern Lowlands/Coastal Plains. Most of the Western Lowlands and Coastal Plains experience hot and dry climatic conditions. According to the Population and Health Survey Report (2010), the Highlands are relatively cool, flat and endowed with fertile soils suitable for crop farming and therefore densely populated with an estimated 50-60% of the population. At the same time, this region is characterised by a high incidence of poverty estimated at 83%, compared to the lowlands with 52%; 62% of urban dwellers and 69% of people in urban areas are living in poverty, according the Agricultural Sector Policy, 2002.

Mineral-rich rocks cover 60-70% of Eritrea's land surface. Economic activities, urbanisation, and human settlement are determined by the presence of natural resources, climatic conditions and proximity to the coast, but the level of infrastructure development, colonial history, and the effects of the wars of independence also play a role. Major industrial and economic activities are concentrated in the central highlands (especially in the capital city of Asmara where 80% of the enterprises are located) and the port city of Massawa. Debub, Gash-Barka and Anseba regions are the major food producers. Additionally, with increasing investments in the mining sector, non-agricultural economic activities are spreading to the Gash-Barka (Bisha mine), Anseba (Zara mine), and the Southern Red Sea (Colluli potash mine) regions.

There are marked differences between the major geographical zones and disparities within zobas and sub-zobas. Infrastructural investments have been prioritised to link the regions and improve facilities, but progress is slow. The 2013 Africa Infrastructure Development Index ranks Eritrea in terms of its deficiencies in road networks, water and sanitation, energy, and ICT at 47th out of 53 countries surveyed. The Eritrean Population Health Survey (EPHS) (2010) also reveals inadequacies in that access to improved water source stood at only 58%, while agricultural production is constrained by inadequate water supplies and available water resources hardly satisfy 15% of the population's requirements. These deficiencies translate into high costs of doing business, which stifle economic growth, investment productivity, and business development. They also impede national and regional connectivity. Moreover, about 65% of Eritrea's population remains vulnerable to shocks from environmental degradation, a harsh climate, and food insufficiency. The chances of drought occurrence have increased from once in every 6-8 years to once in every 2-3 years, according to the project data on drought resilience and sustainable livelihoods 2014-20.

In Eritrea, land belongs to the government, which allocates it for cultivation on a seven-year rotational basis. This practice has resulted in farmland fragmentation, especially in the highlands, low productivity, and deforestation due to limited private investment on land. It has also created tensions between the government and the population. While there are no visible ethnic tensions over land and territorial issues, conflicts between villages over grazing rights, especially in highland areas are evident. Raids on livestock, land encroachment and grazing rights in lowland areas together with the impact of climate change have led to mutual distrust among communities.

Public policies on territorial development are contained in various government sectorial plans, programmes and projects including: the Education Development Strategy 2013-2017; the Agriculture Development Strategy; and the Technical and Vocational Education Training Project 2010-2016. A National Development Plan (NDP) 2014-2018 was under finalisation at the end of 2014.



The NDP would provide an overarching framework for territorial and other development aspects, implying that evidence-based and highly co-ordinated interventions for territorial development are currently lacking. An NDP, supported by appropriate and reliable socio-economic data would be an important foundation for effective strategies for territorial development, poverty reduction, social justice and equity.



ETHIOPIA

Ethiopia is the second most populous country in Africa with an estimated mid-year population of 87.9 million in 2014. With the economy dominated by agriculture, Ethiopia's population is dispersed throughout the country with a very limited concentration in towns and cities. Only 19% of the population lives in urban areas, and according to the 2007 national census data most of the urban population is found in small towns of under 100 000 inhabitants, with a very limited number of intermediate or big cities. Broadly, the country is divided into highland (central) and lowland areas – close to 90% of the population resides in the highlands, mainly in the four relatively developed regional states (Oromia, Amhara, SNNP and Tigray). The lowlands comprise largely the four Developing Regional States (Afar, Benshangul-Gumuz, Gambela and Somali), which in 2007 jointly accounted for about 9% of the population and 50% of the country's surface area of the country.

Crops and livestock represent an important means of subsistence for a significant part of the population. Industrial production is concentrated around Addis Ababa (60% of national production), distantly followed by Mekele (5.3% of national production).

Ethiopia's population growth rate was high at 2.5% in 2014 and nearly 60% of the population is under the age of 25. This strains social services in urban areas and presents challenges in creating sufficient employment opportunities. Ethiopia has by a margin in 2014 become an emigrating country (the CIA put Ethiopia's net migration rate at -.23 migrants per 1 000 population) and internal migration to cities is increasing. In 2012, it was estimated that net migration to Addis Ababa was 430 per 1 000 population followed by Dire Dawa (289), Gambela (209), Afar (66) and Benshangul-Gumuz (44 people). These urban centres have proved ill-equipped to absorb these migrants as social services are overburdened and urban unemployment is high. Migrant flows to the resource-rich lowland regional states have also triggered tension and conflict between local stakeholders and new arrivals.

There have been sporadic conflicts in Ethiopia, and the causes include: competition for resources such as land, pasture, and water; competition for livelihoods between sedentary farmers and pastoralists; heightened awareness of ethnic identity; political issues such as language rights and perceptions of disenfranchisement; and border disputes between regions and ethnicities. Ethnic federalism has heightened and transformed historical territorial conflicts into contemporary inter-regional boundary conflicts. Inter-clan conflicts have begun to inform perceived or real disenfranchisement and inequitable distributions of economic and/or political benefits. Radicalism has also underlain sporadic religious clashes. Evidence from other countries suggests religious radicalism might be symptomatic of deeper levels of political and socio-economic discontent.

Cognisant of the nexuses, the government advocated for a peace-building policy that is developmental in orientation and transformative in content. Since the early 1990s, Ethiopia follows a federal structure with nine regional states and two chartered city administrations. Ethiopia's federal structure is unique in the prominence it gives to ethnicity and self-determination in the affairs of state.

Along with a federal system and a decentralised approach, a Ministry of Federal Affairs is tasked with: ensuring equitable development in the regions via the co-ordinated and integrated efforts of federal and regional bodies; ensuring stronger and sustainable peace and security through civic participation; and establishing systems for the prevention and resolution of conflict. Its other major duties are to support the maintenance of good relations between different religions and beliefs by promoting tolerance and understanding, and to strengthen the federal system through partnership with the regions and overall growth and development.



Considerable attention has been given to decentralisation and the devolution of decision making, accountability and revenue generation to the regional states and local level administrations. Fiscal federalism in Ethiopia has been put in place for political reasons and a grant-sharing formula which operates through the Regional Council and the House of Federation allocates resources taking into account considerations of equity and rights.

The Government of Ethiopia has put in place strategies to support sustainable development and the country is set to move towards a greener economy. The Climate Resilient Green Economy (CRGE) strategy offers a real opportunity and makes economic sense; it focuses on certain critical natural resource endowments, and addresses (socio-economically and environmentally) linked risks facing the country with a comprehensive approach. It identifies low-cost measures. Much of the work lies in the future, but already now Ethiopia pursues some green economy initiatives. These include the National Clean Cook Stove Programme, a national biogas programme, investments in clean energy and wind power, ethanol production, mega hydro-dams and the Sustainable Land Management programme. This last has achieved several tangible results: around 50 000 households have adopted sustainable land management practices and about 77 000 hectares of land have been rehabilitated. 79 000 hectares of forest are subject to participatory forest management principles. The SLM programme also presents a concrete case of how the green economy can be put into practice by protecting natural assets (reverse land degradation), and increasing local development by improving agricultural productivity.



GABON

Gabon (267 667 km²) had 1.54 million mostly urban inhabitants at the last (2003) census (the 2013 census had not been officialised by January 2015). The population density was 5.7 people per km². Half the population in this sparsely inhabited country lives in two big cities (Libreville and Port-Gentil), giving Gabon one of the highest levels of urbanisation in Africa. The density in the provinces (fewer than 2 inhabitants per km²) is similar to that of the desert countries in the Sahel.

The country's substantial natural resources are still hard to reach overland. Gabon's main road runs northeast from Libreville to the Cameroon border and is the major route between the two countries for trade (especially food imports) and people. Agricultural land is still far from urban markets and transport infrastructure does not allow the best use of natural resources in the country's interior, including iron deposits at Beringa and manganese in the Franceville region. Poor infrastructure also hampers forestry operations and inter-urban trade.

Gabon's two main cities – Port-Gentil and Libreville, the capital – are still not connected by road, though this is planned. The only links are by sea and air. A railway (the “Transgabonais”) connects the capital to Franceville, but its equipment is outdated. Road journeys are also difficult because of poor infrastructure and lack of road maintenance. The country has only three trading ports – Libreville, Port-Gentil, and the deep-water port of Mayumba, in the south.

The country's position as an oil exporter, as well as its inadequate roads, have meant low agricultural production, creating a risk of food insecurity. People gravitate to towns and cities while economic activity, focused on oil production, fails to provide enough jobs. Oil accounts for about half the government's tax revenue.

Gabon's huge sparsely populated regions have allowed forests (80% of the total land area) and natural spaces to be well preserved. But concessions granted for growing oil palms and other agricultural exports have created difficulties for protecting some spaces, though the 2010 official ban on log exports has slowed down felling.

The government aims to turn Gabon into an emerging economy by 2025 and the PSGE plan to do so involves fully using the comparative advantages and complementarities of various parts of the country, whose economic opportunities make balanced spatial development possible. The plan for creating ten specialised economic development “clusters” throughout the country was presented at the second seminar on an emerging economy in Franceville (February 2014).

The biggest transformation planned over the next three to five years is for the Moanda-Franceville hub, based on manganese, thanks to the expansion of the mining centre at Moanda. The Belinga cluster, linked to the iron deposits there, will be another mining-based development centre, with investment of XAF 4 billion (CFA Franc BEAC) and 7 000 new direct jobs. The Port-Gentil cluster will be based on petrochemicals. Three diversification clusters are planned (at Estuaire, Lambaréné and Booué) and four agricultural and agro-industrial ones (Mitzic-Bitam, Moulia-Ndendé, Mayumba and Lastourville-Koulamoutou).

All ten will boost overall development around the three main clusters at Moanda (manganese), Belinga (iron) and Port-Gentil-Mabounié (oil, gas and petrochemicals). To modernise the land-use operation, the government will set up a spatial indexation system and basic cartography and draft two national land-use development plans (*Plan national d'affectation des terres* [PNAT] and *Schéma national d'aménagement et de développement du territoire* [SNADT]).

A national infrastructure plan has been drawn up to link the ten clusters, involving major changes in transport, hydroelectric power and communications (including fibre-optic links), along with urban centres, housing policy and education and health care services.



This all aims to boost non-oil economic diversification and the creation of many jobs, most of which will not be in Libreville or Port-Gentil. The government is thus seeking to make development more geographically balanced.



GAMBIA

Between 1990 and 2013, the population of the Gambia almost doubled from 1 million to 1.9 million. The Gambia's population grew at an average 3.3% per year in the period between the 2003 and the 2013 censuses. With a population density of 173.6 persons per km², the Gambia is one of the most densely populated countries in mainland Africa. The majority of the population still lives in rural areas – 53.1% based on the preliminary findings of the 2013 census. In terms of migration patterns, according to the 2012 Gambia Bureau of Statistics (GBOS) labour force survey, close to 23.1% of the population was made up of internal migrants in 2012. This pattern was pronounced in two urban areas, Banjul and Kanifing, where 47% and 45.7% of the population, respectively, were migrants from other regions. As a result, in 2013 the Kanifing municipality and Banjul had the highest population density in the country at 4 991 and 2 539 per km², respectively.

Employment patterns differ between the urban and rural areas. In rural areas, agriculture, forestry and fishing provide employment for 57.3% of the population, followed by wholesale and retail trade accounting for 19.4% of employment. In urban areas, most employed persons (44.9%) were in wholesale and retail trade, followed by the manufacturing sector accounting for 9.8% of employment, and other services providing work for the remaining portions of the population. Poverty was much lower in the urban areas with 16.4% and 26.0% of the population living with less than USD 1.25 a day in Banjul and Kanifing, respectively, in 2010 while the predominantly rural regions had higher levels of poverty: Brikama (54.4%), Mansakonko (57.2%), Kerewan (60.3%), Kuntaur (79.0%), Janjanbureh (73.2%) and Basse (65.6%). In terms of access to education, there are also significant differences among the various regions, with the urban areas having greater access than the rural ones. In 2013, net attendance ratios for primary school among the regions was as follows: Banjul (78%), Kanifing (75%), Brikama (72%), Mansakonko (75%), Kerewan (59%), Kuntaur (40%) Janjanbureh (52.8%) and Basse (60.3%). There was no significant difference in primary-school gender parity among the regions.

The country's history of spatial-development planning goes back to the 1984/85 Physical Development Plan for the Greater Banjul Area and three growth centres – Farafenni, Basse and Brikama – based on the 1984 Physical Planning Act. The 1984/85 plan was developed with the major aim of addressing unplanned and rapid urbanisation and expired in 1989. Due to lack of capacity to implement the plan and to a large population influx, the physical plan was superseded by events leading to land allocation outside of an adequate legal framework, scattered urban sprawl into valuable agricultural land, depletion of the forest, strains on water resources and overcrowding of the urban areas. In 1991, a Physical Planning and Development Control Act was approved, but no other spatial-development plan was developed or implemented based on the new situation resulting from uncontrolled spatial development to replace the expired, obsolete 1984/89 plan. Based on the 2012 GBOS Labour Force survey, the unemployment rate in the Gambia hovered around 29.8%, approaching 31.3% in rural areas. This has continued to exacerbate migration of the population to urban areas, as demonstrated by the high population densities in most urban municipalities. The spatial tension, which is pronounced in the Gambia, is based on competition for limited job opportunities in the urban areas and the significant pressure on the delivery of social services. According to the same Labour Force Survey, internal migrants still faced high unemployment of around 28.1% despite their migration, showing the difficulty of getting jobs. It is also true that when they are employed it mostly tends to be in the informal sector, given that a large number of them (45.7%) have little or no education. Furthermore, migrants both internal and from other countries work more hours per week on average than non-migrants, or 52.4 hours per week for internal migrants, 56.0 for migrants from other countries and 46.1 for non-migrants.



Rapid, unplanned urban expansion has resulted in illegal/informal settlements in many of the urban areas while putting pressure on the environment for lack of waste management and other forms of environmental degradation, particularly in the coastal areas. According to the 2008-10 National Forest Assessment drawn up by the UN Food and Agriculture Organization with the Gambia's Department of Forestry, the Gambia has lost significant forest cover, which declined from 5 053 km² to 4 230 km² between 1981/82 and 2009/10. The loss of mangrove cover accounts for 73% of the total loss of forest cover. Furthermore, tree density also declined from 1.24 per km² (124 per ha) in 1981/82 to 0.42 per km² (42 per ha) in 2009/10.

The government recognises the rural-urban divide and the spatial differential in wealth concentration among its administrative regions. The issue has been given the highest importance in the country's policies and strategies, with regional or territorial development rooted in several of the country's strategies. The current medium-term (2012-15) national development plan, PAGE, envisaged the creation of a National Spatial Development Plan to ensure optimum utilisation of the limited land and other resources, and identify new growth centres, but in 2015 physical-development plans were yet to be drawn even though the basis for such plans – the Physical Planning Act (1984) and the Physical Planning Development Control Act (1991) – had been enacted. In the same vein, the country has embarked on a decentralisation process since 1999, when local governance was enshrined as part of the constitution.

Despite the existence of numerous policy frameworks, there is a wide consensus that the implementation of these policies has been limited and has not brought about the desired development outcomes in terms of reduction of inequalities in income, wealth, social-service delivery and pressure on the environment. This can be demonstrated by the facts that the majority of the rural population – more than 70% – lives below the poverty line and that all basic social services are still delivered by the central government from its regional offices, which means that fiscal decentralisation has not taken place. Regional disparity in wealth is blatant. For instance, while Banjul and Kanifing have only 0.2% and 3% of their population in the lowest and second-lowest wealth quintiles, respectively, Kuntaur has close to 70% of its total population in the same wealth quintiles. Moreover, the physical-development plan based on the 1984 Physical Development Act has expired since 1989, resulting in unplanned urbanisation, hence increased environmental degradations.

Recognising this slow progress, the government revised its decentralisation policy, strategy and action plan in 2014 with support from the UN Development Programme, and in 2015 the new 2015-19 policy, strategy and action plan are awaiting cabinet approval. The government also aims to bridge the rural-urban divide by creating employment and entrepreneurship opportunities in rural areas as a means to tackle the population flow from rural to urban areas through Vision 2016, an initiative developed in 2014. Vision 2016 aims to bring people back to the land in order to achieve food security in the country while ensuring environmental sustainability. Nonetheless, there is an urgent need to update the outdated physical-development plan based on the 1984 Physical Planning Act by taking into consideration the rapid expansion of urbanisation. In 2015, spatial development is a critical aspect of inclusive growth in the Gambia, and it needs to be addressed.



GHANA

The number of administrative regions in Ghana has changed over the years, from five regions at independence to six in 1959, and to eight in 1960 and ten in 1983. The regional boundaries are defined by the constitution of the country. The Southern and Western parts of the country, comprising the Greater Accra, Western, Eastern, Central, Volta and Ashanti regions are more developed, compared with the Northern Savannah Ecological Zone comprising the northern parts of Brong-Ahafo and Volta and the Northern, Upper East, and Upper West regions.

The first group of regions accounts for the largest part of economic activity in the country and is home to over 73% of the country's population. These regions are characterised by large concentrations of major economic activities including agriculture (mostly cocoa, yams, plantains and vegetables), forestry resources (timber), mining (particularly gold in the Ashanti and Central regions) and offshore oil platforms in the Western region. The manufacturing, trade and transport activities are inside the more populous major towns and cities such as the capital city of Accra, Kumasi in Ashanti region, Cape Coast in Central region, and Takoradi in the Western region where oil and gas explorations are located.

Aside from the impetus coming from the location of specific mineral resources, the concentration of economic activity in Ghana is a function of geography, agglomeration factors and historical legacies. In pre-colonial times the Western region was marked by the presence of powerful kingdoms such as the Ashanti kingdom. The European colonial masters settled along the coast and provided infrastructure, industries and institutions, especially those devoted to education and religion. Infrastructure, particularly rail, in the Southern and Western regions was critical to exploiting and extracting gold and cocoa, and education provided a strong foundation for development in the post-independence period.

The Ashanti region is the most populous in the country with 19.4% of the country's population, followed by Greater Accra with 16.3%. The least populous regions are the Upper West (2.8%) and the Upper East with 4.2%. About 43.8% of the population lived in urban centres in 2000 and this increased to 50.9% in 2010, mainly as a result of high rural urban migration in pursuit of economic opportunities. The remaining eight regions of the country are predominantly rural, with urbanisation levels below the national average. Rural-urban disparities are highest in the North. As the Northern Savannah is the least urbanised, the population is dispersed and mostly isolated from economic development, a phenomenon exacerbated largely by location. It is furthest from the coastal regions where growth and comparative advantages have accumulated over time. Disparities within the North are mutually reinforcing, necessitating a broad-based strategy for socio-economic transformation. For example, poor road connectivity, low levels of urbanisation, limited public facilities, markets and related infrastructure have had a detrimental impact on recruitment and retention of public sector workers with impacts on the provision of social services and development outcomes.

Ghana has a strong policy agenda, as enshrined in its constitution and vision and planning documents and strategies, to prioritise measures addressing disparities across socio-economic groups and across regions. In the post-independence period, there was significant investment to increase human capital formation through the provision of free compulsory basic education and then later tertiary education and the extension of basic health care services.

Ghana's medium term strategy for 2014-17, the Ghana Shared Growth Development Agenda (GSGDA II), acknowledges that Ghana's accelerated economic growth has not resulted in the expected levels of job creation and that poverty at the subnational level remains high, especially in the three northern regions. The GLSS6 reports that five out of ten regions have a poverty



incidence higher than the national average, with the Rural Savannah zones accounting for a significant share of the poor (27.3%) and for nearly three-fifths of those living in extreme poverty in Ghana. The GSGDA II encompasses an explicit emphasis on tackling the growing inequality in socio-economic and spatial development. Specific policy objectives to address the disparities are articulated in the context of key focus areas; principally, those related to human development, productivity and employment creation, as well as through the use of modalities such as special development zones to reduce spatial development disparities among regions across the country.

The idea of special development zones started in 2000, with the announcement of the Savannah Accelerated Development Programme (SADP) to address the regional disparities in the three northern regions of the country. In 2010 the SADP approach was further strengthened, through an act of parliament, which established the Savannah Accelerated Development Authority (SADA). SADA's mandate is for the development of the Northern Savannah Ecological Zone (NSEZ). It is mandated to accelerate inclusive growth and transformation through strategic planning, resource mobilisation for private sector, social and infrastructure investments, as well as through development co-ordination. To replicate the SADA approach in other disadvantaged regions, bills have been submitted to parliament for the establishment of Western and Eastern Corridor Development Authorities.

The objective of tackling spatial disparities is also mainstreamed across focus areas of the GSGDA II related to infrastructure, modernisation of agriculture and structural transformation of the economy, as well as in Ghana's human settlements development policy, which focuses on spatial/land use planning and management; urban development and management; housing/shelter; slum upgrading and prevention; disaster prevention; institutional arrangements; and rural development and management.



GUINEA

Guinea's population is estimated at less than 11 million. It has grown at the rate of 3.1% per year since 1990. Structured around eight administrative areas (Conakry, Kindia, Boké, Mamou, Labé, Kankan, Faranah and Nzérékoré), the country has four natural areas: i) Maritime Guinea, an area ideal for producing horticultural goods with a high value added (pineapples, avocados, bananas, mangoes, etc.); ii) Middle Guinea, an area used for livestock farming and vegetable crops; iii) Upper Guinea, a savannah area favourable for cotton, groundnut, corn, millet/sorghum and upland-rice crops; and iv) Forest Guinea, an area ideal for industrial plantation crops (coffee, rubber trees and oil palms). The agricultural potential is clearly perceptible in Maritime Guinea and Forest Guinea, which offer a variety of food crops and multiple commercial speculation possibilities. Added to this is fishing, one of the most lucrative activities in Maritime Guinea. Middle Guinea, given its relatively low agricultural and ecological potential, has developed extensive livestock farming and has specialised in market gardening and potato crops, whereas Upper Guinea practises extensive subsistence farming.

Guinea is a mining country, and most of its structuring projects (bauxite, alumina and iron), involving major investment and heavy infrastructure, are concentrated in three regions: Boké, Kindia and Nzérékoré. Practically all the gold and diamond mining projects are in the Kankan region in the form of small, scattered units requiring relatively low investment.

Trade takes place on 27% of a low-density network (2.7 km per 100 km²). Conakry-Boké, Conakry-Labé, Conakry-Kissidougou and Conakry-Kankan-Mali constitute the main commercial corridors, which tends to reinforce Conakry's dominant role. As a consequence, some of the agricultural production areas are isolated. The transport infrastructure, with poor-quality, insufficient roads, a small, outdated railway network and port infrastructure with a small capacity, is one of the main obstacles to the country's structural transformation and economic development.

Each of the four natural regions has a distinct population pattern: i) in Lower Guinea, the extractive activities are fuelling the metropolisation of Conakry and the urbanisation of the Kindia and Boké areas; ii) in Middle Guinea, the population is evenly balanced across the whole region; iii) in Upper Guinea, the population is concentrated in the towns of Kankan, Siguiri and Faranah; and iv) in Forest Guinea, the population is concentrated in the towns of Zérékoré, Kissidougou, Macenta and Guéckédou. In addition, activity in the Simandou hills should lead to strong urban growth in the Macenta, Beyla and Kérouané triangle in the future.

The population density remains very low in rural areas, reflecting the fact that most resources are concentrated in urban areas. According to the conclusions of the 2012 poverty-evaluation survey (*Enquête légère pour l'évaluation de la pauvreté*), two-thirds of Guineans live in rural areas, and are those most affected by poverty. This spatial distribution of the population raises a real challenge in terms of access to basic social services, employment and regional planning. More than 66.5% of Guineans work in agriculture. The Conakry region is the most developed, with a poverty rate of 27.4%, much lower than the national average of 55.2%. All regions, however, have difficulties in access to electricity, running water and sanitation. In the Conakry, Nzérékoré, Kankan and Boké regions, the frequency of visits to health centres by the sick are higher than in other regions. Literacy rates are weak everywhere except in Conakry, which is better equipped.

The concentration of people in regions with a strong economic potential is a source of tension and conflict. Land conflicts, mainly related to rights of access to land, have grown in frequency and intensity in the different regions. Forest Guinea in particular has been affected by political instability in Côte d'Ivoire, Sierra Leone and Liberia for several decades, and this has encouraged



the development of conflicts within the region's communities. Furthermore, the mining activities in the areas of Nzérékoré, Boké, Kindia and Kankan have caused significantly more environmental degradation than in the other regions of the country. The establishment of mining enterprises generates conflicts between these companies and the local communities. This was reflected in the August 2012 Zoghota crisis in the forest area, causing five deaths and major property damage. The escalation in conflicts between arable and livestock farmers (in particular in Forest Guinea and Upper Guinea) also largely explains the difficult cohabitation among the communities. The difficult social and political context of the last few years, marked by strong community and regional tensions (the latest dating back to July 2013), has worsened the already tense situation.

Guinea has adopted a national regional-planning scheme (*Schéma national d'aménagement du territoire*, Snat), in 1991, a national population policy, and as well as its first grassroots rural development policy letter. The latter was drafted in 1999 and updated in November 2006. In order to take into account the major changes in fields that are critical for grassroots rural development, Guinea drew up a national decentralisation and local development policy letter (*Lettre de politique nationale de décentralisation et de développement local*) in 2012, organised around the 2013-15 Poverty Reduction Strategy Paper (DSRP III) and the national five-year plan (*Plan quinquennal*) (2011-15), which will be the instrument used to operationalise the forward-looking strategy paper *Vision Guinée 2035*, currently being developed. In the same spirit, the master plan for ancillary transport infrastructure (*Schéma directeur des infrastructures auxiliaires de transports*), adopted in 2014, will be one of the key tools for implementing the country's structural transformation and will support spatial inclusion by underscoring the development of related activities. Nonetheless, despite existing public policies targeting regional planning, the decentralisation process under way since 1985 has not achieved a real transfer of resources and competences to the local communities. The spatial-development policy has many constraints to deal with, in particular those related to rural job creation, the pace of urbanisation and government allocations to regional or local authorities.

The Snat, which the authorities are planning to revise, aims to spread development throughout the regions by building a more balanced national economic area based on dynamic and competitive regional economies, in which the urbanisation of regional capitals and secondary towns is managed in such a way as to enable real growth hubs to emerge.

GUINEA-BISSAU

Spatial inequality weakens the country and has a basis in history. Portuguese colonialism provided only a limited and unstructured presence of administrative institutions over the territory. The lack of means devoted by the colonial authorities to establishing comprehensive territorial control and the geographical realities of the country combined to limit spatial inclusion. This situation persisted after independence because of the lack of capacity of the new authorities. The destruction of infrastructure during the war of liberation and the 1998/99 civil war only made things worse.

The lack of spatial inclusion can also be explained by the uneven distribution of population over the national territory: according to the 2009 census, the capital, Bissau, accounts for 25% of the total but occupies just 0.25% of the land area. By 2025, the proportion of the population living in Bissau is expected to rise to 42%. Such a population concentration around the capital creates a problem of density, compared to the situation in other regions of the country that are more or less empty. In 2009, the population density of Bissau was 4 711 people per km², followed by the neighbouring region of Biombo with 110.9 inhabitants per km², while the Quinara and Bolama-Bijagos regions had population densities of 19.4 and 12.4 inhabitants per km² respectively. This situation gives rise to many administrative, economic and social problems.

It remains difficult to bring the administration to certain zones, especially in the absence of decentralised systems. For example, the renewal of passports and national identity cards, or even the payment of pensions, can only be done in the capital. Apart from the administrative marginalisation involved, this situation also has a social impact. According to the Joint United Nations Programme on HIV/AIDS (UNAIDS, figures from ILAP), nearly 40% of the rural population are more than 5km from a primary health centre. In the capital, only 3% of people are more than 60 minutes from a primary school, but outside the capital the proportion rises to 20%. In addition, budgetary difficulties limit the deployment throughout the territory of civil servants, especially health care and education personnel. Thus, non-payment of hardship weightings leads to social conflict and the frequent refusal of civil servants to accept postings in remote areas.

The difficulty in reaching some areas is primarily due to an infrastructural imbalance and the centralisation of the state. However, it has been reinforced by spatial inequality in the allocation of development assistance: the geographical concentration of development projects tends to follow population statistics and make use of existing infrastructure. According to the National report on aid policy in Guinea-Bissau (2011), Gabu region has more projects than the rest of the country (excluding Bissau); its average class size is 30 pupils, compared to an average of over 50 elsewhere.

This kind of territorial organisation also gives rise to economic problems. The low population density in some regions and the lack of industry outside Bissau mean that any infrastructural projects aimed at opening up regions will be likely to suffer from a weak return on investment. The transport network giving access to some regions is also inadequate. Apart from poor quality roads, the inaccessibility of zones such as the Bijagos islands and the south of the country undermines the principle of territorial continuity and hampers key sectors such as tourism or rice farming.

Politically, decentralisation is still embryonic. In 1998, the National Assembly changed the Constitution to support decentralisation, opening the way to municipal elections. However, they still have not taken place. Administrative power outside the capital is in the hands of governors appointed by the central authorities.



In the current context, the challenges of spatial inclusion are great and many. The relative isolation of certain regions and their economic and social marginalisation puts a brake on the inclusive redistribution of growth and is a source of weakness. Spatial inequalities drive the population towards the capital, reinforcing the flight from the land, especially among young people. The situation is problematic: literature on the subject shows that the risk of weakness rises considerably when urban population growth is higher than the percentage rise in per capita GDP. Statistically, the urban growth rate for the period from 2011 to 2015 was 3.6% while per capita GDP fell by 1.3%. Lastly administrative neglect opens up areas for various illicit trades, such as drug trafficking, from which the country still suffers today, to flourish.



KENYA

According to a 2012 report by the Kenya Commission on Revenue Allocation, since independence marginalisation has persisted in some regions of Kenya due to the underlying resource-allocation policy embedded in Sessional Paper No. 10 of 1965. The allocation policy was based on a strategy of channelling resources to areas of high returns in order to attain rapid economic growth, thus promoting an equitable distribution of resources throughout the country. However, the practice actually did the opposite and caused marginalisation.

Furthermore, the pervasive perception of economic and political marginalisation emerged from the concentration of power in the hands of a few elite groups since independence. According to an Inclusive Growth Study by USAID (2013), issues of political governance have been among the most prominent features of the Kenyan landscape over the past few decades. Historical underlying political tensions, recurrently defined along ethnic lines and expressed through corrupt activities favouring members of the sitting leadership's ethnic group, created and continue to create a strong perception of a higher risk environment. In addition, there has been a clear correlation between major politically related events and significant disruption of economic growth.

The USAID study also established significant deficiencies in non-urban infrastructure, particularly with regard to the supply of electricity, preventing the expansion of economic activity outside the capital. Kenya performed poorly in supplying electricity outside large urban centres. For example, at 39 MW/million persons in 2011, electricity connection was high within Nairobi (69% in 2011), while a low nationwide connectivity rate (16% in 2009) suggested a very low rural connectivity rate (estimated at roughly 4%). While such a low non-urban connectivity rate exacts a level of hardship on households, more importantly it represents a severe geographical restriction of economic activity to a very small handful of cities.

Marginalisation also emerges from investible resources. Although there is good evidence of financial-sector deepening in Kenya, the development of the financial sector in the country does not seem to have spread across all economic sectors. While the agriculture sector contributes 29% to GDP and employs over 80% of the rural population, commercial credit to agriculture remains low, with commercial-bank credit to this sector averaging approximately 5% in the five years leading to 2013.

Development in Kenya has largely been concentrated in the west-east corridor straddling the northern corridor linking the port city of Mombasa to the western part of Kenya. About two-thirds of the country, covering northern and eastern parts, and to some extent the southern parts, remain underdeveloped, largely occupied by nomadic pastoralists.

Spatial tensions or conflicts have, since 1990, largely resulted from the perception of economic and political dominance, and land ownership. The first major conflict resulting from political and ethnic tensions occurred in the period preceding the December 1992 general elections, leading to displacement of populations from several districts in the Rift Valley. A larger conflict occurred after the 2007 general elections leading to the deaths of over 1 200 persons and the displacement of more than 600 000 persons, principally from the Rift Valley and coastal regions. Between 2012 and 2014, conflict has been confined to the northern, north-eastern and coastal regions, mainly associated with conflict over land, pasture, water, as well as terrorist activities led by Al-Shabaab.

Limited conflict has been witnessed in the large cities of Nairobi and Mombasa, and these have been largely associated with the illegal occupation of private land by squatters and perceived corrupt acquisition of land. Similarly, the recent discovery of oil, gas, aquifer and coal has led to tensions and active debate on how the revenue generated from the new discoveries will be shared.



Since 1990, Kenya has gone through political and economic reorganisation intended to address perceived historical injustices associated with sharing of resources. In 1992, the administrative boundaries were organised around 41 districts and 8 provinces. Each of the districts were empowered to prepare and implement their own District Development Plans, with resources planned and allocated by the national government. Although most districts were delineated along ethnic lines, the local planning and political mobilisation led to some feeling of inclusion in the management of national development.

Between 1992 and 2010, the reform drive continued to the adoption and promulgation of a new constitution in August 2010, largely meant to address economic and political marginalisation. The constitution established two layers of government, national and 47 semi-autonomous county governments charged with planning, legislation and the implementation of autonomous budgets. The national government is obliged to allocate the equivalent of at least 15% of the latest audited accounts to the annual budgets of the county governments. The constitution addresses marginalisation through affirmative action programmes and policies that are designed to redress any historical disadvantages. The 2010 Constitution defines marginalised communities as one or more of the following: i) a community that – because of its relatively small population or for any other reason – has been unable to fully participate in the integrated social and economic life of Kenya as a whole; ii) a traditional community that – out of a need or desire to preserve its unique culture and identity from assimilation – has remained outside the integrated social and economic life of Kenya as a whole; and iii) an indigenous community that has retained and maintained a traditional lifestyle and livelihood based on a hunter or gatherer economy, or pastoral persons and communities, whether they are nomadic or a settled community, that – because of its relative geographic isolation – has experienced only marginal participation in the integrated social and economic life of Kenya as a whole.

The constitution as well as general laws also have provisions and measures to address: the depletion of natural resources; management of growing metropolises; and territorial balance or spatial inclusion through the affirmative actions outlined above and specific regional authorities responsible for regional development.

According to the *Exploring Kenya's Inequality* report (2013), urban areas have a smaller proportion of 0-14 years old, 36.5% compared to 46.1% in rural areas, owing to the tendency to have fewer children in urban areas. Urban areas have a larger number of youths (15-34 years old), at 42.4% of the population, compared to 31.8% rural areas. This is attributed to a significantly high number of those aged between 20 and 34 years migrating from rural to urban areas in search of employment and education opportunities. Consequently, urban areas have a greater working-age population (15-64 years old), forming 61.3% of the population, compared to 49.8% in rural areas. Rural areas have higher numbers of elderly persons (older than 65), i.e. 4.1% of the population compared to 2.2% of this age group in urban areas.

LESOTHO

Since the 1990s the economy of Lesotho has grown at an average 3.8% per annum. The economy has experienced some structural shifts in its production from predominantly subsistence agriculture to limited manufacturing enabled by its access to the AGOA. The rapid expansion of its textile manufacturing sector that is concentrated mainly in Maseru and Maputsoe urban centres is driven largely by inflows of export-oriented foreign direct investment. The concentration of economic activities in urban areas has led to high rural-urban migration. This migration and the concentration of economic activities in the few urban centres has left the majority of the rural population vulnerable to poverty, inequality, and lack of economic opportunities, as well as dependence, to a large extent, on subsistence agriculture and remittances from members of their families employed in South African mines. Thus government policy that concentrated economic activities in urban centres, with less attention given to the development of the rural economy, has created spatial exclusion in the country.

The sustained growth realised since the 1990s has not been inclusive as indicated by the rising poverty levels and inequality. The Growth Incidence Curve shows that the bottom 40% of the population experienced a 0.4% consumption decline per year in real terms between 2002/03 and 2014 (latest available information 2014), compared to a 0.9% annual growth for the remaining 60% and 1.1% for the top 20%. Poverty in the country certainly has a strong geographical dimension, with rural areas facing higher rates estimated at more than 61.2% while in urban areas it is estimated at 39.6%. The extreme poverty measures also substantiate this spatial exclusion as they indicate that more than 38.5% of the population in rural areas suffers extreme poverty compared to 20.4% in urban areas (Bureau of Statistics, 2003/04 and 2014 based on latest available information). Within these rural areas, poverty is concentrated among children, the elderly, larger families and those with a single parent.

The concentration of economic activities in few urban centres (Maseru and Maputsoe) has also increased vulnerability to the HIV/AIDS pandemic as young adults leave their families to seek jobs in these cities. With an HIV prevalence of 23%, Lesotho ranks as the second country most affected by HIV/AIDS in the world.

In spite of the expansion of the textile industry and creation of more than 40 000 jobs, this has not been inclusive in the sense of helping people move themselves out of poverty. This is because the majority of the labour force employed in the industry earns a minimum wage. Consequently, the government has remained the main employer with more than 45 000 jobs. The basic salary structure in government exceeds that in the textile industry eightfold. This has further worsened the rising inequality in the economy, more particularly between the rural and urban population. Thus, despite the gains the country has made so far, it continues to face several critical policy challenges in terms of inclusive growth, creating gainful employment opportunities, developing the rural economy in order to reduce the rural-urban divide, reducing poverty and inequality. The economy remains highly undiversified in both products and markets with more than 80% of its exports concentrated in textile and garments, destined mainly for the US market.

While the country has attained high literacy rates (80.9% for men and 96.9% for women in the 15-49 year age group) and a young demographic population structure (40% of the population comprises youth aged 15-35 years) that is growing at about 0.1% annually, it is likely to face spatial social conflicts and tensions. These social and political conflicts may erupt as a result of rising unemployment especially among youths in urban areas where the majority of the unemployed graduates live. The unemployment challenge is in part attributed to the country's strong emphasis on non-technical education (formal education) that has produced skills that do not meet the labour market demands (skills mismatch) and that does not promote self-reliance.



The country remains vulnerable to political and social conflicts given the focus on acquiring the limited jobs in government, which are attractive because of the small private sector. There is an eminent imbalance in remuneration between government and the private sector and a power struggle over limited resources by the competing political parties. There is rising inequality between urban and rural areas. As demonstrated by E. Nseera in “Growth and Distributional Impact of Agriculture, Textiles and Mining Sectors” (2014, Working Paper Series No 206, AfDB), income distribution in Lesotho remains skewed towards the urban areas and policies are urgently needed to redress this.

Although there is no specific institution in charge of spatial planning, government policies through various ministries have to come up with bold policies and measures to address spatial exclusion. Such measures would enhance past attempts to deal with spatial exclusion. For example, the decentralisation programme that started functioning in 2004 under the Ministry of Local Government and Chieftainship aimed at social inclusion through the devolution of power, fiscal resources, participatory development planning, provision of sustainable service delivery and strengthening safety and security at local level. However the efficacy of the decentralisation programme has been undermined by limited political will and the capacity for appropriate implementation. In 2008, the government, with assistance from the Millennium Challenge Corporation, launched a compact programme aimed at social inclusion by improving health outcomes and productivity through strengthening the health infrastructure, removing barriers to foreign and local private sector investment, upgrading water systems for both urban and rural areas and improving watershed management in rural areas.

Notwithstanding these efforts to address social and spatial exclusion, there remain a number of challenges. Post primary education remains low for the poor and limits the opportunities to find wage-paying jobs; the poor still do not have adequate access to health; social protection policies are weak; and transfer systems do not target the poor. Moreover there is inadequate capacity to formulate and implement policies at both central and local level and politicisation of the civil service hinders transparent and efficient service delivery.

LIBERIA

The strained relationship between Monrovia and the rest of the country has played a key role in Liberia's history and its civil conflict. Liberia's growth has been driven by natural resource extraction; however, this has mainly provided income and employment in Monrovia, with limited benefits accruing to the rural areas that are the source of Liberia's wealth. This is exacerbated by the population structure of a political and economic elite class, who are socially, economically and spatially separate from the majority. Liberia's political and economic elite, who descended from freed slaves from the US, largely reside in Monrovia and coastal areas while indigenous Liberians live mainly in rural areas. Only in the past decade have real efforts been made to address these socio-economic and spatial inequalities.

Monrovia is the centre of economic and political power, while the population in rural areas has limited economic opportunities, infrastructure, access to government services and political power. Employment varies considerably depending on location. In rural areas, some 80% of the employed population works in either agriculture or unskilled labour, while this falls to only 30% in urban areas. Wealth is also significantly higher in urban areas. Measured by basic assets, 23% of urban households own a television and 82% a mobile phone, compared to 2% and 42%, respectively, of rural households. The urban population is also much better educated. While in Monrovia 31% of males and 15% of females have completed secondary education, in rural areas this falls to 7% and 1%, respectively. Access to health is considerably better in urban areas, with 45% of households able to access the nearest health facility in less than 20 minutes, compared to only 16% of rural households. Some 26% of rural households must travel more than 2 hours to access a health facility.

Better opportunities and perceived quality of life has led to migration to the Monrovia area and neighbouring counties, with the 2010 Labour Force Survey showing how only 53% of the residents of Montserrado county (which is largely Monrovia) were born in the county. The population of Monrovia is an estimated 1.2 million in 2014, increasing nearly 50% since 2000. However, this has also strained resources in Monrovia, with the 2010 Liberia Core Wealth Indicators Questionnaire (CWIQ) reporting an increase since 2007 in income inequality in the city.

The wealth and services of Monrovia depend heavily on rural areas and land rights. Liberia's significant natural resources – including timber, iron ore, gold and diamonds, rubber and palm oil – as well as the government's need for revenues to rebuild, have led to more than USD 16 billion in FDI commitments in the natural resource sector since 2006. This has contributed to a significant portion of the land in rural areas being contracted out to concessionaires. In forestry alone, Private Use Permits (PUPs) had covered some 24% of Liberia's land area.

Land governance is complicated by a confusion of roles, responsibilities and institutional mandates for land administration, management and policy across various line ministries and agencies. This has led to overlapping claims to land between communities, private individuals and concessionaires. Concession agreements have threatened the security of customary tenure security, and increased tensions with rural communities. Consultation with communities has not been consistent during negotiation processes. Moreover, communities do not receive expected benefits from investments. Funds that are marked for communities are slow to reach them owing to corruption, mismanagement and non-transparent revenue flows. The number and nature of concession-related jobs often lead to disputes. Meanwhile, communities endure environmental damage and the disturbance of traditional sites.

There has been increasing momentum on land reform in recent years. The executive adopted a Land Rights Policy in May 2013, which designates four land rights categories: public, government,



customary and private, as well as protected areas. To implement and enforce the policy, a Land Rights Act is being prepared, although its passage could face many potential challenges. A draft act to create a Land Agency is also being prepared, which could streamline processes and procedures and consolidate functions from various ministries and agencies.

Beyond the land reform agenda, the government is increasingly promoting decentralisation. Liberia is a highly centralised state, with no local governments – currently the president appoints county superintendents. The cabinet approved the National Policy on Decentralization and Local Governance in February 2012 and is reviewing a draft local government law. Consultations on constitutional reform are taking place, which will be necessary to allow for the local election of superintendents and local councils.

There has been some progress in the first phase of decentralisation, which includes the deconcentration of services by key line ministries, particularly health, education and agriculture. However, progress has been ad hoc, and improved co-ordination across ministries is necessary. In February 2015, President Johnson Sirleaf granted county superintendents the authority to co-ordinate and manage the delivery of government services in their county, across ministries and agencies. This will assist in efforts to harmonise county administrative functions. The government is also in the process of establishing four county treasuries, with plans to open treasuries in all counties.

Decentralisation will face challenges due to weak infrastructure, weaker local capacity and the financial costs involved. Access to key infrastructure – both roads and energy – while low throughout the country, is even lower in the outer counties. The government is making gradual progress on plans to connect county capitals with paved roads. The key artery road linking Monrovia to Gbarnga is being paved, and the government has targeted opening up access to Liberia's historically isolated southeast with a road from Ganta to Harper, although only one-third of the road is currently funded. It is also increasing access to energy outside of the Monrovia area with cross-border and off-grid electrification plans. County Development Funds (CDFs) and Social Development Funds (SDFs) linked to concession agreements are being executed already at the county level, but they are widely perceived to be poorly managed and politically driven, with communities not seeing expected impact. The experience from CDFs and SDFs, combined with the additional cost of setting up local governments, calls for a realistic, measured approach to decentralisation and deconcentration.



LIBYA

The issue of spatial inclusion is at the heart of the volatile transition that Libya has experienced since the 2011 revolution. In fact, spatial exclusion at various socio-economic levels has undermined any form of national solidarity required for a move towards a democratic governance structure. Colonialism bequeathed an ethnically, tribally and socio-politically heterogeneous country, over which the Qaddafi regime maintained control through force instead of inclusion. Once Qaddafi was removed from power, post-2011 Libya suffered the rise of geographical, tribal and ethnic tensions.

The 2014 total population is estimated to be around 6.25 million people over 1.77 million km², which gives it one of the world's lowest population densities, with only 3.6 people per km². However, population density varies dramatically between the fertile Northern coastal strip (50 people per km²) and the desert regions, where each person can lay claim to their own km².

A major characteristic remains the significant dominance of two cities: Tripoli and Benghazi, attracting the lion's share of economic and political investment and development efforts. Tripoli is located in the northwest of the country, at the top of the fertile agricultural Aljfara plain. It is in the centre of several agricultural and urban regions and its coastal nature has allowed for the establishment of the most important port in the country. Benghazi is in the east, close to the richest oil fields, with available water and has established trade, education and social services. The two major cities remain the main centres for educational and health services. They account for 52% of the total number of university students and around 84% of the specialised hospitals. The two cities have also captured more than 75% of the total financial services, mainly banks and insurance companies. Victims of their rapid growth, however, they face several serious problems, such as congestion, pollution, housing shortages, lack of sanitation and unemployment. Slum areas have also emerged.

Libya has the largest oil reserves in Africa with an estimated total of 47.1 billion barrels according to Oil and Gas Journal (OGJ) as of January 2012. These reserves are distributed across five major onshore sedimentary basins: Sirte, Ghadamis, Murzuq and, offshore, Tripolitanian. With 80% of proven oil reserves located in Sirte basin, the eastern region also accounts for most of the oil output, accounting for more than 95% of the country's revenues. However, Qaddafi's regime, focused for decades on leveraging these revenues to develop the western part of the country, and more specifically the Tripoli area, which is the historical region for his tribe. As an illustration, the state-owned National Oil Corporation (NOC), Qaddafi's instrument for managing the oil wealth, is in Tripoli, and not Benghazi. Following the 2011 revolution, strong opinions were expressed about relocating the NOC headquarters to Benghazi in order to ensure a more balanced distribution of the revenues to the east of the country.

What has driven spatial construction is, therefore, the geographical positioning of Libya's rich natural resources, chiefly hydrocarbons. For decades, Qaddafi's policies increased spatial disparities leading to a polarisation between the east and the west of Libya. Other regions have been left behind in most government development plans, leading to deep regional resentments that are among the key drivers of the upheavals since 2011. The lack of structured inclusive development plans to ensure a minimum level of local investment of revenues has prevented equal access to natural, economic and political resources.

The tensions from the country's vast spatial disparities have heightened since mid-2013, with the militias associated with tribes to the east occupying some of the country's largest oil fields and oil terminals in order to exert pressure on the government for further inclusion in Tripoli's political decision-making processes. With the emergence of parallel militias in the east and west



of the country, and the emergence of two parallel governments in Tripoli and the eastern city of Tobruk, the country is not only more divided than ever before, but also the living standards, access to services and the long-term development prospects of all parties are more hampered than ever.

Further spatial inclusion and cohesion in Libya is the key to its successful economic and political transition. While political stability is required for an inclusive spatial strategy to be established, the latter is also an important prerequisite for the creation of a national dialogue and a return to political stability in the country. In the long-term, diversification of the country's revenues and reducing dependency on hydrocarbon exports are important structural policies aimed at reinforcing the growth of other productive sectors. Developing Libya's production capabilities in specific areas, such as agriculture, ports and coastal development, will allow for growth in the associated regions and, therefore, further social and economic inclusion of their populations. Until then, a gradual and carefully crafted process of national dialogue is required in order to resolve some of the deep-seated questions of access to, and participation in the country's economic and political spheres.



MADAGASCAR

Madagascar's economic geography includes both an urban-rural divide and regional disparities, which mean unequal economic opportunities, economic infrastructure and access to basic social services. Urbanisation is advancing in a country long seen as rural and agricultural.

A March 2011 World Bank report (*L'urbanisation ou le nouveau défi malgache*) says that about a third of the population now live in towns and cities, most of them in and around the capital, Antananarivo. With the growing urbanisation, nearly all the country's main businesses are in towns, which provide two-thirds of national income, even though two-thirds of Madagascans work in the countryside.

Rural-urban inequalities are increasing, with access to electricity in 2013 reaching 57.6% in towns but only 4.7% in the countryside. The national statistics institute's ENSOMD 2012-2013 report said 77.4% of the urban population had a supply of improved water (17.7% of the urban population) and 24.7% had improved sanitation (only 3.6% in the countryside). Meanwhile, 38% of rural inhabitants had no formal education (10% in towns). Despite making up three-quarters of the total population, people in rural areas contributed only 26% of GDP and farm production still cannot supply all the country's food needs.

Madagascar's road-transport infrastructure is also far below the rest of Africa's, with country roads mostly bad. There are only 9 km of roads per km², compared with an average 35 km/km² in sub-Saharan Africa and 135 km/km² in North Africa. But efforts have been made to build seaport and airport infrastructure to link the country's regions and boost trade between them and with other countries, and to develop tourism. Telecommunications have also grown rapidly and are now present in every district in the country.

The most developed region is Analamanga, which includes the capital, Antananarivo. It has 12.7% of the total population and 138 people per km². The region contains a broad range of economic opportunities in agriculture, handicrafts, tourism, industry, commerce and financial services. Poverty there was 47% in 2012, compared with the national average of 71.5%. Like all African cities, Antananarivo has to wrestle with expanding slums and mobility problems due to a high population density and a poor transport network.

At the opposite end of the spectrum is the Androy region in the far south. With poverty at 94%, it is Madagascar's poorest and least developed region. It has 3.4% of the country's population and little social and economic infrastructure. Unpredictable rainfall due to its semi-arid climate makes water supply and access a permanent problem, which undermines agricultural production and causes recurrent diseases, chronic food shortages and migration to other regions.

Madagascar is exposed to spatial tensions caused by divisions between urban areas and those beyond, although there has been no large-scale violence since independence in 1960, despite repeated political upheavals. The 2010 peace and conflict impact assessment (PCIA) done by the Centre on Conflict, Development and Peacebuilding (CCDP) lists three areas of division in the country: between a culture of oral authority and one of written government decisions, between the economic hubs and the rest of the country, and between a mainly urban elite and poor rural areas. These divisions are tied to various conflict triggers, including social exclusion and indifference, ineffective local government and inadequate public security.

Inequalities between the centre and beyond, and between industrial production and subsistence farming seem to be the main causes of rising crime and lawlessness, of which the resurgence of *dahalo* (banditry and cattle theft) in the south is a prime example. But these divisions have produced little national discussion about regional development or territorial inequality, especially the risks of uncontrolled expansion of the capital, internal migration, access to isolated



areas, lack of opportunity in the countryside and regional tensions due to social and political problems.

The same is true of the challenges of population growth and climate change. There is much debate however over urban-rural disparity in terms of access to basic services, depletion of natural resources, and access to rural land and natural resources, but no long-term strategy has yet been adopted to tackle these vital issues.

Government policies focusing on regional development and land use have been adopted or are being drafted. Their implementation should gradually reduce regional disparities and urban-rural tensions. Madagascar has a national land-use programme (*schéma national d'aménagement du territoire*), begun in 2008 and updated in 2012, which is the basis for drawing up the ten-year national sectoral and cross-sectoral guidelines programme (*Vision 10 ans*), as well as for deciding on 11 areas of growth. Guidelines for land use are also being finalised, along with a national urban development policy.

A third of the country's regions have land-use programmes (*schémas régionaux d'aménagement de territoire*). Some bodies attached to the Ministry of Land Use are already in operation and dealing with property, urban planning, mapping, sanitation and housing. Three new decentralisation laws were passed in 2014: one on powers, structure and the operation of the decentralised territorial bodies (CTDs) (organic law 2014-016), one on the CTD's resources (law 2014-020) and one on government representation (law 2014-021). If the government keeps its promises about land use and decentralisation, regional disparities and urban-rural tensions will gradually be reduced. Spatial inclusion comes under sectoral policy in health care, education, clean water and sanitation, with some programmes focusing on the country's poorest regions.



MALAWI

Geography has dictated the economic landscape of Malawi and the spatial variation in economic opportunities. Fishing and tourism are major occupations of the Lakeshore districts while cash crop production is concentrated largely in areas that are within reasonable distance of major cities. Manufacturing activity is concentrated in the major urban centres. Some formal mining activity (uranium and coal) also takes place.

Malawi's population, put at 14.4 million, is 85% rural and 15% urban. While Malawi is among the least urbanised countries in Africa, the pace of rural-urban migration is rapid. The process is driven by lack of alternative employment opportunities in rural areas and rapid population growth. Due to rapid population growth, population density increased from 105 persons per km² in 1998 to 139 in 2008. This poses challenges of sustaining livelihoods.

Poverty remains high at 50.7% and varies by region: 55.5% in the South, 54.3% in the North and 44.5% in the Central regions. Incidences of both poverty and ultra- poverty differ between rural and urban areas; rural poverty stands at 56.6% compared to 17.3% for urban areas). Ultra-poverty is 28% in rural and 4.3% in urban areas. The incidences of both rural poverty and ultra-poverty also vary across regions. Both are highest in the South (63% and 34.2% respectively) and lowest in the Central region (49% and 21.5%) while they are 60% and 29% in the North.

Poverty in Malawi is fundamentally rural: 95% of the poor and 97% of the ultra-poor live in rural areas. Within rural areas, poverty is higher among female headed households (63%) compared to 60% for male headed. Regional distribution of the rural poor is highly skewed with 47% of the poor in the South, compared to 35% in the Centre, and 13% in the North. The relative disadvantage of rural areas in the south relates in part to land constraints in the face of high population density.

Unemployment is high at 21%, and differs by rural/urban and region. It is estimated at 28% for urban compared to 19% for rural areas and highest in the Southern Region (27%) and lowest in the Northern Region (13%).

Malawi's rapid population growth (2.8%) and high density are putting increasing pressure on its natural resources base, leading to expansion of farming to marginal lands and forests and encroachment into designated forest reserves/parks. High demand for arable land and fuel wood has led to deforestation (estimated at 2.6% per annum) and forest degradation. Associated soil erosion and loss of nutrients is also causing declining agricultural productivity and dependence on inorganic fertiliser. Malawi loses about 5.3% of GDP annually due to unsustainable use of its natural resources. This is exacerbated by the effects of climate change, where Malawi risks losing 20% of its agricultural production if no mitigation measures are taken.

Most urban areas have developed without proper planning, mainly emerging along major routes, or as growth of rural market centres. In the absence of a settlement policy, slums and squatters have proliferated, characterised by overcrowding, low service provision, and weak waste management with the attendant health impacts. The major cities have dual settlement patterns; a planned and dispersed settlement where the well-to-do live and have access to land, housing, education, health and other opportunities and many highly crowded slums where the poor reside with no or little access to these. Slum settlements within the four cities are growing fast (3.9% annual rate) with 60% of the urban dwellers living in unplanned settlement and slums (UN HABITAT, Malawi National Urban Profile 2011). Lilongwe and Blantyre already have 16 and 24 slums respectively, with population densities as high as 253 per hectare. Congestion in crowded settlements accounts for high water and air pollution, heavy reliance on non-renewable energy sources and the spread of a range of communicable diseases.



Recently a growing perception of unfair allocation of public resource and development activity under the unitary system of government, neglecting certain parts of the country, has led to calls for a federal arrangement. It triggered debate both in parliament as well as by the public.

There has been growing community resentment against the uranium mining company in the country for allegedly failing to bring benefits to the local community and for the safety risk uranium mining poses.

The need to address territorial development has been recognised since the 1970s. The Statement of Development Policies (DEVPOL I: 1971-1979) emphasised a more equitable distribution of investment among the various regions and the development of education. The Malawi Poverty Reduction Strategy Paper (2002) also aimed to promote spatial development initiatives, especially focusing on the “Nacala and Mtwara development corridors and the Zambia, Malawi and Mozambique growth corridors”. It recognised the concentration of poverty in rural areas and the need for a corresponding concentration of efforts in such areas. The Malawi Growth and Development Strategy (2006-2011) also recognised that broad-based economic growth and development cannot be achieved if rural areas with potential for growth are marginalised.

Although the MGDS I and II made no explicit reference to spatial planning, both sought to redistribute wealth to all citizens using rural growth centres to serve as socio-economic hubs, providing central locations for social amenities and market facilities and mitigating rural-urban migration. It is based on the idea that rural economic growth can be kick-started through provision of basic socio-economic infrastructure in the Rural Growth Centres so as to make them attractive to investors. Thus, the government has invested in the construction of Rural Growth Centres and also introduced a rural electrification programme.

A National Decentralisation Policy (1998) was introduced, devolving political and administrative authority and central government power, functions and resources to the district level. Subsequent reforms led to institutional changes in government structure and decision-making processes at the local level. District Councils were made the centres of implementation responsible for delivery of services at local level and for facilitating a bottom-up development planning and enhancing co-ordinated approach to local development. The recent tripartite elections brought into existence the local councils for the first time since 2005.



MALI

Mali includes many ethnic groups, with rich and diversified historic and cultural heritages. The country preserves its oral and craft traditions and since independence has opened up to literature, theatre, cinema and photography. French is the official language, but only spoken by a minority of the population. Bambara is the most common language (50.3% of those over 6 years old, according to the 1987 census), ahead of Fula (10.7%), Dogon (6.9%), Songhay (6.3%) and Soninke (6.3%).

Nomadic and semi-nomadic people – Moors, Kountas and Tuaregs – live in the north (Gao, Kidal and Timbuktu regions) and make up 10% of the population. The geographical distribution of these ethnic groups amounts to spatial exclusion and causes political and security-related tensions.

Analysis over several years of persistent food insecurity showed that the most vulnerable areas were in the northern regions (Gao, Timbuktu and Kidal), in the Mopti region and in some parts of the Ségou, Koulikoro and Kayes regions in the western Sahel. In these areas, 166 settlements were identified as the country's poorest. The food security situation is still worrying and food inequality is very great among and within regions. The Sikasso, Koulikoro, Mopti, Kidal and Kayes regions are the most unequal in terms of spending on food while Bamako, Timbuktu and Gao are the least. The regions also show disparity in the number of trained workers. Overall, the Bamako district had the highest number of self-employed workers for each of the three years studied (2001, 2006 and 2010). Geographical inequalities are seen in access to health care. Bamako scores highest, with 94% of its inhabitants within a radius of five km having access. Next come the regions of Kayes and Ségou (55% in a radius of 15 km), then Sikasso and Timbuktu (51%), Mopti (50%), Koulikoro (47%), Kidal (45%) and Gao (42%).

Occupation of the Timbuktu, Gao and Kidal regions and part of Mopti and Ségou by armed groups in 2012 led to wholesale destruction of public and private buildings and social, economic and logistics facilities, the flight of civil servants to the secure south of the country and especially the displacement of hundreds of thousands of people to the interior and to neighbouring countries. The big challenge for the new government a year and a half later is to quickly regain control over the whole country and bring Mali out of the crisis. The efforts to get out of the crisis are good reason, during this crucial phase of the situation in the north, to launch a social and economic revival in order to create jobs and encourage a vision of long-term development. The return home of refugees and displaced persons will create big problems, not just for reintegration but also for social harmony, both among and within different groups, because of the deep divisions inherited from the crisis. Traditional relations among and within groups are in flux and people fresh from serious conflict must learn to live together again and ensure that the same quarrels do not provoke new fighting. National reconciliation will have to go along with efforts to restore and strengthen social peace. Widespread violence and serious human rights violations during the 2012 crisis have traumatised the population. Family life, traditional values and all social relationships have been undermined. Restoring normal, trusting community and ethnic interaction will be all the harder. Ethnic divisions do not seem irreparable, but dialogue and reconciliation are vital to lay the basis for normalised relations among groups. The regional aspect of the fighting and the necessary reconciliation must also be considered. The government has established local and regional assemblies to help this process. Maintaining peaceful coexistence throughout the country when sensibilities are so raw requires above all restoring a credible system of justice.

Population density varies widely, from 90 people per km² in the central Niger delta to fewer than 5 per km² in the Saharan north. The population is concentrated in the south and along the River Niger. The total population rose from 14.53 million to 16.32 million between 2009 and 2012,



according to estimates by the government population office for the West African Economic and Monetary Union. The 2009 census showed:

- strong demographic growth;
- the predominance of young people and women;
- potentially inactive people (under 14 and over 65) more numerous than the working population (aged 15-64);
- increasing urbanisation and rural exodus, along with steady emigration of young people to other countries, thus draining the countryside of its energies;
- sparse and poor-quality economic, social and demographic data to help development plans take greater account of population issues;
- rapid demographic increase along with the recession that accompanied the 2012 crisis makes young people even more vulnerable and easily tempted by illegal or destabilising activities.

The big challenge in regions hit by the crisis is still to ensure that intensifying and modernising agriculture in the face of profound climate change is compatible with preserving the environment and natural resources for future generations. Mali's fight against the effects of climate change in the north will protect the poor there who are most exposed and vulnerable to it. The ecosystems of the northern regions are very fragile and are being seriously damaged by loss of vegetation (deforestation, loss of biodiversity and desertification), wind erosion (with silting up of water sources), formation of sand dunes, deterioration of soil fertility, loss of arable areas, water erosion and damage to underground water and oases, all caused by both human and natural factors.



MAURITANIA

The country's economic geography is marked by great spatial inequality. Nouakchott, the capital, has just over one-quarter of the total population (27.2% in the 2013 census) and its annual demographic growth of 6.44% is higher than the national average, 4.5%. Nouakchott is also one of Mauritania's 13 regions, includes 9 self-governing municipalities and is the country's most developed and attractive region in that it features most of the country's modern infrastructure.

The city is at the meeting point of the Atlantic Ocean and the Sahara, with half of it in a saline depression below sea level. Despite the difficult environment, as shown in a 2014 spatial-growth survey by the Nouakchott city authorities (*Communauté urbaine de Nouakchott – CUN*), the city has continued to expand in the face of natural barriers, but it cannot be considered a conurbation because it is isolated. The nearest town is hundreds of kilometres away. The city has spread into the desert and its growth is not concentric, as elsewhere, which would have enabled better management of services for the local population.

To develop other regions, in 2009 the government began encouraging harmonious and integrated development through effective use of economic potential, according to the nature and capacities of each region. The Nouadhibou free zone was set up in January 2013 to make the country's second city a centre of competitiveness and an international-class regional hub to boost Mauritania's overall development.

Nouadhibou has great potential and an exceptional environment. It lies on a peninsula about 45 km long with an average breadth of 7 km, at the meeting point between the north coast and the frontier with Western Sahara. The city is part of the Dakhlet Nouadhibou region, which has two municipalities. It has a population of 118 167, a land area of 72 000 hectares and a coastline of 110 km. It also has a 230 000 km² Exclusive Economic Zone (EEZ) and one of the world's most abundant coasts for fishing, with an annual potential catch of 1.5 million tonnes. Its mining activities are flourishing, with gold mines in operation, oil and gas wells with active offshore research and drilling fields being explored.

The spatial growth of Nouakchott is very problematic and has not yet been totally brought under control by the regional and local authorities. An updated land registry is needed, as well as an urban land-use plan taking account of natural risks, an economic development strategy and appropriate urban policies.

The city has substantial environmental and structural constraints, in particular for water, energy and food supply, the creation of lasting jobs, sanitation, transport and housing, among others. Large sectors of the city are regularly flooded. The dune belt is breached in several places, and risk of saltwater intrusion is a concern. There are very few green spaces. The supply of drinking water involves bringing the water from very far away and its distribution to the outer fringes of the city is not yet entirely guaranteed by the authorities. Distances between residential areas and workplaces are difficult for the poorest people, and the city centre is highly traffic-congested at rush hours. Ethnic conflicts, often longstanding, are behind many land disputes.

The harmonious integrated development of the country begun by the government also aims to tackle the major problems pinpointed in a 2009 survey on decentralisation, *Livre blanc de la décentralisation*, including incomplete municipal organisation of the country (especially in very sparsely populated areas), little co-ordinated and weakly deconcentrated supervisory structures at the regional and district (*moughataa*) levels, lack of an organised approach to the territorialisation of sector-based strategies and poor mobilisation of local resources.

Government policy in recent years has focused on planning and rebalancing land as a key factor in reducing social and economic disparities between different parts of the country, as noted



in the third report on implementation of the strategic framework for poverty reduction (SFPR III). Development projects in very poor areas and microfinance activities by the *Caisse des dépôts et du développement* should give the population means to enter the production process. The reach of government action is limited here by problems inherent to the development model of territories and spaces, including the nationwide distribution of the population (very big disparities and unequal population densities among the regions, undermining sustainable development) and wide gaps among towns, where some populations have a marginal existence in poorly served and badly sanitised neighbourhoods. Infrastructure is increasingly needed (both shared facilities and housing), rural depopulation continues despite government efforts to encourage municipalities to merge and funding capacity is insufficient. To tackle these obstacles and encourage territorial and local governance, the central authorities continued their decentralisation policies in 2014, involving complementarity and interregional cohesion, harmony and balance in distribution of responsibilities and resources among municipalities, local authorities and institutions, along with broad decentralisation.

Sector-based strategies should take a territorial approach and also have a tool to measure progress. A clear and concerted vision of national, regional and municipal land-use is needed, as well as a territorially based budget system and a regional monitoring body with authority to deal with management of all state human-resources, budgetary, material and land issues.



MAURITIUS

The Republic of Mauritius comprises a group of islands in the South West Indian Ocean, consisting of the main island Mauritius and the outer islands of Rodrigues, Agalega, Saint Brandon, Tromelin and the Chagos Archipelago. The total land area of Mauritius is 2 040 km² and in addition the country has jurisdiction over a large exclusive economic zone of approximately 2.3 million km². The population is estimated at around 1.3 million, but with a population density of 618 per km² there is increasing pressure on land use. The island-state continues to shift away from a sugar, manufacturing and tourism-based economy to a more services-oriented economy based on ICT, financial and business services. Policy and institutional reforms have been undertaken to enhance competitiveness; improve public sector efficiency; consolidate fiscal performance; improve the business climate and widen the circle of opportunity through social inclusion. The country has a record of high human development and MDG achievements. Despite the remarkable socio-economic achievements, the benefits of development have not been evenly distributed among residents of the country's two main islands, Mauritius and Rodrigues. While citizens of the main island of Mauritius have benefited from the economic growth of recent years, the economy on the island of Rodrigues continues to lag behind and is heavily reliant on agriculture, fishing, live-stock rearing, microenterprises and a small tourism industry. Rodrigues also faces higher incidence of poverty, severe climatic conditions such as frequent shortage of rainfall and more frequent cyclones, which have had a negative impact on the island's agrarian economy. The few existing small-scale industries mainly supply to the local market. Except in the main town, Port Mathurin, most households are rural. People in Rodrigues earn 30 to 50% less than the average national per capita income, and the average landholding is less than 1 hectare. School dropout and unemployment rates are high. For Rodrigues, the Sustainable Integrated Development Plan for Rodrigues 2010 (SIDPR) provides the policy framework for development of the island.

The rural population in Mauritius refers to people living in rural areas while the urban population is defined as the population living in municipal areas that are prescribed by law (Statistics Mauritius). Mauritius is subdivided into a total of 144 statistical areas. There are five towns divided into 20 Municipal Wards (MWs), and the remaining 124 areas are known as the Village Council Areas (VCAs). The MWs are defined as the urban areas and the VCAs as the rural areas of the Island. According to the latest population census in 2011, in the five towns 40% of the population lived on 8% of the land area of the country, while the villages contained 60% of the population on 92% of the land area. An estimated 31% of the urban population reside in Port-Louis, the capital city of Mauritius. In Mauritius, the share of people employed in agricultural activities is higher in the predominantly rural areas, but is significantly lower than internationally used benchmarks.¹ For instance, the share of employment in primary industry (agriculture, fishing, forestry and quarrying) in the three largest rural districts of the island (Pamplemousses, R. du Rempart and Moka) averages around 7.2%, significantly below the 20% benchmark used in several OECD countries. Thus, most rural households are not fully dependent on agriculture, with manufacturing and the services sectors also employing a substantial share of the workforce in the rural areas.

Mauritius has a very high population density – 9th on world scale – with some 618 people per km² which resulted in great pressure on land resources and social problems because of the acute urbanisation. However, the government produced a framework for spatial planning in Mauritius which is contained in the NDS 2003-23 which sets out the guidelines for sector development and local plans and policies for the nine administrative districts, based on international spatial planning practices. The policies and proposals of the NDS have been successfully translated at the local level through the preparation and approval of local development plans for both urban



and rural areas. These various policy frameworks and other initiatives supporting spatial development on the island are often informed and guided by data and statistics collected by the Statistics Mauritius.² at both local and national levels. These statistics meet international requirements on quality and accountability and inform government policies and budgetary allocations for regional development purposes.

Mauritius has developed a Relative Development Index (RDI) of each administrative area using data from the Housing and Population Census survey. The RDI is based on 12 variables that encompass housing and living conditions, literacy, education, and employment and measures the relative development of municipal wards and village council areas and is used for identifying priority areas for the implementation of poverty-alleviation programmes. Between 2000 and 2011, there has been an overall improvement in the level of development of all towns and villages. Wards 1 and 2 of Quatre Bornes still remain among the most developed regions of the country and Le Morne VCA and Rodrigues still remain among the least developed regions.

The private sector and other non-state actors in Mauritius are also playing an important part in enhancing spatial efficiency and inclusion particularly through the development of rural communities across the country, mostly within sugar factory areas. Enterprises such as Médine Sugar Estate, a major land-owner in the west of the island, prepared the Médine Master Plan (MMP) to contribute to the overall land planning process. As regards the development of the manufacturing sector, the sugar industry has created the right medium in terms of infrastructure and human resources to facilitate the establishment of a large number of industrial zones in rural areas. Today, about 50% of the 650 establishments of the Export Processing Zone are located in rural areas and account for almost 55% of employment in that sector.

Notes

1. According to international standards, the definition of 'rural' is usually related to a considerable proportion of residents engaged in agricultural activities.
2. Statistics Mauritius is the central depository for all statistics produced in Mauritius and falls under the Ministry of Finance and Economic Development.



MOROCCO

Regional disparities are one of the major challenges for Morocco, which has seen rapid economic, social and cultural changes in recent years that have altered the population's relationship with its territory. This transformation of the national economic geography has made the country's socio-economic and socio-spatial organisation more complicated. The population grew from 26 to 33 million between 1994 and 2014, increasing demographic pressure and diversifying people's needs.

Population growth has been accompanied by changes in the age structure and large-scale urbanisation, which have increased disparities among the country's 16 regions. The urban population grew from 48.6% of the total in 1990 to 64% in 2014. The national demographic research centre CERED predicts it will rise to 69% by 2050 and may grow faster. This will create long-term problems (pressure on land, unemployment and infrastructure) if suitable policies and strategies are not implemented to allow cities to absorb more and more people.

The countryside has shown major delays in development since the 1990s, mostly due to isolation and lack of infrastructure and basic services such as roads, water supply, electricity, health care and education. The government has launched major programmes to improve rural living conditions, including sanitation and schools, but disparities remain.

Regional inequalities are mostly social. The Gini coefficient, which rose from 39.5 to 40.9 between 1999 and 2007, reflects growing disparity regarding income and access to basic services (water and sanitation, electricity, transport, education and health care), and poverty remains mostly rural (14.4% compared with 4.8% in urban areas). Household surveys by the HCP government planning office showed that living standards improved between 2001 and 2007, significantly reducing poverty and vulnerability. Nationwide, poverty fell from 15.3% to 9% (from 7.6% to 4.8% in urban areas and from 25.1% to 14.4% in rural areas). The vulnerability rate also dropped, from 22.8% to 17.5% (down from 16.6% to 12.7% in urban areas and from 30.5% to 23.6% in rural areas). But this improvement did not benefit all regions, and Gharb-Chrarda-Beni Hssen (with a poverty rate of 18.5%), Doukala-Abda (17.5%) and Marrakech-Tensiftal Haouz (12.5%) lagged increasingly behind the rest of the country. This widening poverty gap between regions was confirmed by the rise in the Gini index from 39.5 to 40.9 between 1999 and 2007. The overall rural poverty figure also hid significant local disparities, with most of the poorest municipalities concentrated in the regions of Marrakech-Tensift-Al Haouz (93) and Gharb-Chrarda-Beni Hssen (21).

Access to basic services (education and health care) is also unequal, but despite efforts to improve standards and access to sanitation and reduce disparity between regions and between urban and rural areas, inequality remains high. Infant and under-five mortality rates remain high in rural areas (35.1 and 33.6 per thousand) compared with urban areas (25 and 23.6 per thousand). These gaps are due to poor rural economic and social conditions, cultural factors and inadequate health care. Areas such as Tanger-Tetuan, Marrakech and Fes still lack enough doctors (public or private) for their population size. The gap is also seen in other health care indicators (rural maternal mortality is double that in cities, with 148 deaths per 100 000 live births compared with 73 in 2011) and education, where efforts have been made in all regions but a big gap remains. Illiteracy affects 36.7% of the total population above the age of 10 (51.2% in the countryside and 64.7% of rural women). Lack of schools, roads and transport in some regions makes access to education very difficult.

From an economic perspective, the country's 16 regions make different contributions to GDP and have different social and economic potential. The northern coastal regions account for more than 60% of GDP, half of that from Greater Casablanca. Latest regional figures (2011) from the



HCP show Casablanca, Rabat, Chaouia and Marrakesh producing about half of the GDP. Regional disparities in terms of contribution to growth are also seen in per capita GDP figures, where five out of 12 regions score above the national average – Laâyoune Saguia al Hamra (MAD 23 689 [Moroccan dirhams]), Sous-Massa (MAD 23 400), Casablanca Settât (MAD 21 590), Ed Dakhla Oued ed Dahab (MAD 20 043) and Rabat Salé Kenitra (MAD 19 578). Regions in the interior still depend heavily on primary agriculture and craft production, a situation made worse by major regional disparities concerning infrastructure.

These figures underline the need for strategies to reduce disparity and allow people to play a bigger part in economic progress. So the government sees its advanced regionalisation programme as a priority. This proposes having 12 regions instead of 16 and enabling them all to have their own development plans tailored to their needs. Each region will contribute to economic, political, social, cultural and environmental development, which will require raising more money, training the workforce and funding efforts to reduce regional disparities. Municipal and regional elections and those for prefectural and provincial councils, set for 2015, should play a key part in implementing this new process, launched through the new 2011 national constitution.



MOZAMBIQUE

Mozambique has a population of 24 million people dispersed over a relatively large country of approximately 800 000 km², with a 2 300 km Indian Ocean coastline, broadly divided in half by the Zambezi River, which stretches inland to the west to the central-north province of Tete. Northern Mozambique is characterised by hills, low plateaus, and rugged highlands, while the south is mostly lowland savannah. From north to south, the agro-climatic zones range from humid, sub-humid to semi-arid, with 62.7% of land being given over to agriculture.

Demographic density is low, although concentrations exist along transport corridors and in the major urban centres, the larger of which are found in the centre-south along with the capital, Maputo. Maputo represents just around 15% of the total population, while the remaining cities account for an approximate 15% more. Economic activity is clustered around the transport network that still follows the colonial west-east lateral pattern of corridors connecting inland mining (centre and south) and agricultural (more predominantly north) areas to neighbouring countries and the coastal ports. The country's several seaports are natural exits for its land-locked neighbours Zimbabwe, Zambia and Malawi. They are also competitively positioned to serve Botswana, Swaziland and the northern regions of South Africa. However, internal cross-corridor connections are weak.

Mozambique focused its post-civil war development policy on the transformation of its traditional transport corridors into Spatial Development Initiatives (SDI). Since the mid-2000s the country has invested heavily in infrastructure, at an average rate of 10% of its GDP per annum. Even so, infrastructure is still far from adequate for the country's needs. Additionally, investment was very unevenly distributed contributing to acute geographic disparities, particularly between the capital and the rest of the country, as well as between rural and urban areas. Urban areas disproportionately benefited from capital investment in both the public and private sectors leading to better education and higher living standards in the capital. Inward migration and a flight from rural areas has resulted. More recently this spatial imbalance has begun to reverse with substantial FDI mainly in the centre and north of the country.

Mozambique has two well-established SDIs: the Maputo Corridor and the Beira Corridor. These are arguably within the top most successful SDIs in Africa. The Nacala Corridor, also known as the Northern Development Corridor, is fast consolidating, and three additional SDIs are being developed: the Libombo Corridor (linking the Maputo Corridor to coastal areas of South Africa); the Limpopo Corridor (connecting Maputo by rail to Zimbabwe); and the Mueda-Lichinga Corridor (linking Lake Niassa to the coastal port of Pemba and Tanzania). Three of these SDIs (Maputo, Beira and Limpopo) are supported as Regional Spatial Development Initiatives Programs (RSDIP) within the SADC framework, making Mozambique the country with the most RSDIP in sub-Saharan Africa.

The Maputo Development Corridor (MDC) was one of the first SDIs in sub-Saharan Africa, and it is often considered the most successful. The corridor is built around a road and rail connection between Maputo and the South African provinces of Gauteng and Mpumalanga. The corridor also provides Swaziland with an alternative seaport to Durban. The key anchor project was the Mozal USD 1 billion aluminium smelting plant project on the outskirts of Maputo. Up to 2015, the MDC has attracted more than USD 2.8 billion in investment and is currently responsible for 42% of the country's total export revenues, housing a diversity of cross-sector companies. The MDC employed diverse PPP structures for its road, rail, seaport and gas pipeline developments. This public-private institutional framework was provided by the Maputo Corridor Logistics Initiative, a non-profit organisation consisting of infrastructure investors, service providers and MDC stakeholders from Mozambique, South Africa and Swaziland.



The Beira Corridor historically linked Zimbabwe by road and rail to the port city of Beira in the centre of Mozambique. The corridor later evolved to include rail links to the mining operations in Tete, and road links to Malawi, Zambia and also Democratic Republic of the Congo (DRC). In 2010 the corridor expanded into the Beira Agricultural Growth Corridor (BAGC), launched during the World Economic Forum in Davos by the government of Mozambique, private investors, farm organisations, the UK Department for International Development (DfID), Norway, and the Netherlands. The BAGC is an innovative initiative targeting the development of the 10 million hectares of arable land existing along the corridor. It is managed by a partnership comprised of local and central government, domestic and international private sector organisations, donors, and NGOs. The BAGC is supported by a social venture catalytic fund (funded by DfID, Norway and Netherlands) that provides early-stage funding for socially responsible, commercially viable agricultural businesses, on a cost-recovery basis.

Since 1998 Mozambique has been cautiously introducing decentralisation reforms with the aim of delivering more power and resources to local governments at the provincial, district and municipal levels. These reforms could be characterised as relatively modest and in need of further development. Although all district governments are now elaborating strategic development plans in a participatory way, the integration of these plans into the national planning system, which remains dominated by sector (rather than spatial) priorities, remains a major challenge, albeit one which is well recognised and is currently under consideration. Moreover, although substantial progress has been made in decentralising (or de-concentrating) administrative and technical responsibilities, the decentralisation of resources still lags far behind. Over 70% of the state budget and nearly the entire investment budget is concentrated in the hands of ministries and other central institutions based in Maputo. The situation is even more acute for municipalities, resulting in poor delivery of public services particularly with regard to the licensing of land usage, development and infrastructure.

The government is currently expanding its spatial development planning capacity and tools. The Co-ordination Commission for Studies and Projects (COCEP), a specific unit for spatial development planning created within the Ministry of Transport and Telecommunications, is developing a Growth Poles Development Strategy with the support of the World Bank and other donors. Four key potential Growth Poles – Tete, Nampula, Nacala, and Chimoio – are fast developing, benefiting from the existing corridors and increased investment and activity in the mining, energy, manufacturing and agri-business sectors. Going forward, to promote more balanced spatial development, the government must develop mechanisms to allow local authorities to share in the resources generated by mega projects and strong economic development. A first move in this direction was the introduction of direct transfers to resource rich provinces of a small share of revenues from the extractive industries. Despite this move, a wholesale overhaul of the intergovernmental fiscal transfer system as well as increased local participation in the spatial planning process are both necessary.



NAMIBIA

Namibia faces challenges from the largely arid climate and low population density, averaging 2.6 persons per km² in 2011 as it seeks to improve social economic service delivery and achieve spatial inclusion. Namibia's highly erratic annual rainfall ranges from an average of 600 millimetres in the far northeast to less than 50 mm in the extreme south and along the coast. Most of the soil is extremely poor, holding little nutrients and water, leading to low agricultural productivity. The country is however blessed with rich mineral deposits including rough diamonds, uranium oxide, zinc, gold bullion, blister copper, lead concentrate, manganese, salt and dimension stone.

Namibia suffers from the legacy of a dual economy inherited at independence. The highly productive, capital intensive mining sector employs 2% of the labour force, while agriculture with its low productivity employs 31.4%. Local governance is underpinned by 14 regional councils and 52 local authorities in the country. The urban regions of Erongo and Khomas, and regions with commercial agricultural activities have seen large numbers of migrants arrive over the past decade. The rural and predominantly agricultural regions, such as Zambezi, Ohangwena, Omusati and Oshikoto, have experienced the highest population loss, up to 5.5%. An estimated 43% of Namibians now live in urban areas, compared to 30% in 1990.

Khomas, the commercial hub which includes the capital city Windhoek, is the main employment centre, providing jobs to 21% of those in work. Erongo region, a leading tourist destination with the highest concentration of uranium and which includes Walvis Bay, Namibia's largest port and fish processing hub, contributes about 10% of employment. Oshana, the second most populous region, has experienced dramatic urban growth in recent years and contributes about 8% of employment, while Karas region provides about 5% of Namibia's employment. Karas includes Luderitz, the country's second port, with boat building, fishing and tourism industries and a leading diamond mining zone. While the urban regions have lower jobless rates, five of the six regions with an unemployment rate higher than the national average (29.6% in 2013) are in the agricultural belt. In general, agricultural regions not only have high unemployment, they also experience high informality, underemployment and low pay with 75% classified as unpaid family workers and 20% reporting underemployment.

The geographical patterns of poverty in Namibia show some relationship to regional variation in economic activity and opportunities. The poor are mostly found in rural areas, 37% of the rural population against 14% in urban areas. More subsistence farmers (39%) are poor than those who have salaried work. The two poorest constituencies, at sub-regional level, are Epupa in Kunene region (with a 69% poverty headcount) and Tsumkwe in Otjozondjupa region (64% poverty headcount). Both are in some of the remotest and least accessible parts of the country and are inhabited by the nomadic *Himba* and indigenous *San* communities, respectively. There are however, three notable agricultural regions – Hardap, Karas and Omusati – that show lower poverty levels. These regions have important commercial farming and non-agriculture activities are growing. While poverty has been significantly cut across the country, urban areas where there is a big informal sector as well as high value activities, have higher income inequality with a Gini Coefficient of 0.583 in 2010 compared to 0.487 for rural areas.

In spite of Namibia's geographical challenges, the government's 2012 poverty report estimated that 68% of the population live within 1 kilometre of a drinking water source. Only 6.5% of the population live within 1 km of a hospital, but an estimated 91% have walking distance access to mobile clinic services. Recognising the importance of removing spatial barriers to inclusion, the fourth National Development Plan for 2012/13 to 2016/17 places special emphasis on increasing value addition in agriculture, where the majority of the labour force is engaged. Namibia's 2012 industrial policy builds on this strategic orientation by adopting the promotion of equitable and



broad based economic empowerment as a key principle to accelerate inclusion and breaking the rural-urban divide. Furthermore, the 2011 New Equitable Economic Empowerment Framework specifically aims at promoting the participation of disadvantaged Namibians with a special emphasis on women, youth and people with disabilities. It is hoped that the empowerment framework will also address the skewed distribution of arable land where 52% of agricultural land is mainly owned by large commercial farming households while the remaining 48% of largely communal land supports 70% of rural households.

Deeper structural reforms to intensify added value in agriculture and broaden non-mineral diversification will be important in removing spatial disparities in social and economic development. Namibia must also implement in full the various policies and legislation on decentralisation particularly the Decentralization Enabling Act of 2000 and address capacity and institutional constraints. In tandem, the prioritisation and targeting of resources to the poorest and most excluded geographic areas of the country should be enhanced.



NIGER

Niger is a relatively vast landlocked country, two-thirds of which (1.27 km²) lies in the Sahara Desert. Its population is therefore concentrated in the southern strip, where farming and herding are practised, especially rain-fed agriculture. Zinder, Tahoua and Maradi, in the centre south of the country, are the most densely populated departments, with 60% of the country's total population. The departments of Tillabéry and Dosso, in the south-west, are home to 28% of the population (2012 census).

The total population is 17 138 707, of whom 83.8% live in rural areas. National population growth rose above 3% from 1990 on, reaching 3.9% in 2012, and even 4.6% in Tahoua and 4.7% in Zinder. With an average growth rate of 3.9%, the population doubles every 18 years. This is because having a large family is part of the culture. The fertility rate of 7.6 births per woman is the highest in the world, but falls well below the number of children people would like: 9.5 for women and 12.4 for men (INS, *Enquête démographique et de santé et à indicateurs multiples du Niger*, 2013). The population density was 13.5 inhabitants per km² in 2012, but is expected to reach 27 inhabitants per km² by 2030.

Farming, which employs 80% of the population, is dependent on the weather, which alternates between periods of drought and floods, leaving rural populations exposed to losing their crops, their livestock, and other resources. This gives rise to significant migration towards the cities, further accelerating the process of urbanisation.

Very fast population growth brings challenges in satisfying people's basic needs: food security, education, health care, family planning, employment (half the population is under 15) and social protection. Other challenges include rapid urbanisation, heavy pressure on natural resources – which is heightened by climate change (desertification, difficulties gaining access to land in rural zones, depleted resources) – and urban-rural inequalities in access to basic services.

At the national level, the quality of goods and public services on offer to citizens is improving overall, but remains inadequate as measured by indicators like the Human Development Index or the Millennium Development Goals, or even people's aspirations expressed in national consultations post-2015. These expectations concern, in particular: i) food and nutrition security; ii) access to basic social services and infrastructure; iii) youth employment; and iv) good governance. Meanwhile, key infrastructure to support growth (energy, transport, communication and irrigation) is inadequate. This situation underscores the country's landlocked status, raises production costs, and hinders trade, which in turn hinders the development of a modern, diversified, competitive economy. Aware of these issues, the authorities have developed an ambitious programme to improve road-transport infrastructure (including rural roads) and railway infrastructure. They have also begun major urban development projects and started to build key infrastructure in the main regional capitals (Niamey Nyala, Dosso Sogha, etc.).

A strong urban bias persists, with the bulk of development resources devoted to urban areas. The poor represent 10.2% of the population in Niamey, but 48.2% in the whole of Niger. Rural populations are most affected by poverty because of their structure and their production methods, which rely heavily on rain-fed agriculture and livestock farming, both of which are at the mercy of the weather. Urban areas have the highest proportion of the upper middle class – 25.1% compared to 6.8% in rural areas (*Étude classe moyenne*, INS/PNUD, 2014). The capital Niamey, with a population of 1 026 848 in 2012 (6.0% of the country's total population), is the most developed area. The main industries, infrastructure and services are found there. By way of illustration, in Niamey there is one doctor per 6 366 inhabitants, compared to a national average of one doctor per 29 986 inhabitants. The proportion of people within 5 km of health care services is 79.4% in Niamey, compared with 36.1% in Zinder, for example.



Natural resources still come under heavy pressure. Over the last decades, more land was cultivated to increase agricultural production, which is essential to satisfy the needs of an expanding population. However, this has harmed soil fertility, environmental conservation and the sustainability of agriculture. According to forecasts, by 2050 there will be a 13 million tonne shortfall in cereal production, two-thirds of the plant and forest cover will disappear, and the amount of arable land will fall to 0.3 ha per capita, down from 1.3 ha in 2006 (Guengant J.-P., and Banoin M. [2003], *Dynamique des populations, disponibilités en terres et adaptation des régimes fonciers : le cas du Niger*, Rome, Paris: FAO; CICRED; and Niger report Rio+20, 2012). Moreover, there are disputes between farmers and herdsman for control of land, even in very arid zones.

One of the goals of the government's national development policy is to bring about spatial inclusion through decentralisation. The creation of local development entities is its main weapon. To bring this about, steps are being taken to transfer competence and means through the March 2012 national decentralisation policy, the national land-use policy and the 2012-15 PDES.

Nevertheless, implementation of these general and sectoral policies is hindered by the fact that local bodies are not equipped to take on these new functions. The transfer of resources to rural areas is thus the main challenge for all rural development policies. Considering the low level of formal economic activity in these areas, the tax base of these rural communities is small, if not insignificant. Moreover, these local bodies are poor at project management.

To meet the challenge of food security, a policy of agricultural diversification and modernisation, called the 3N initiative, has been set up with local authorities as the entry point. Through surveys on poverty, efforts are being made to identify those at risk and to create programmes for them. Significant resources have been earmarked for agriculture, livestock farming and the environment: over XOF 371 billion (CFA Franc BCEAO), or 12.4% of total expenditure. In 2014, these funds were distributed between agriculture (54%), livestock farming (16%) and the environment (30%).

In order to reduce the urban bias, the state is promoting rural electrification. A 5 megawatt solar power station and a rural electrification project through photovoltaic systems for 200 villages have therefore been set up. Measures have also been taken to promote development in deprived areas. Thus, Diffa, the least developed area, which is very cut off, could enjoy extra resources through a policy of handing back 15% of oil royalties. The same goes for local authorities in mining areas, which also receive 15% of royalties collected by the state for mineral extraction.



NIGERIA

Nigeria is one of the most ethnically and linguistically diverse countries in the world, with three major ethnic groups (Hausa, Yoruba and Igbo) and several minor ones. It is Africa's most populous country and one of the ten most populous countries in the world. The population is growing rapidly, rising from 88.9 million people in 1991 to 140 million in 2006 and 178 million in 2014. Generally, the population is young, with 44% under 15 years and 43% between 15 and 49 years. The population density pattern, ranging from 2 455 persons per km² in Lagos to 41 per km² in Taraba, reflects a north-south divide. The heavy population concentration in specific areas has implications for the distribution of natural resources and infrastructural facilities, particularly land, water and sanitation.

Nigeria is divided into six geo-political zones: North-East; North-West; North-Central; South-East; South-West and South-South. Recent migration statistics indicate that the South-South has the highest rate of internal immigration (+2.53), followed by North-Central (+2.28), and South-East (+1.75). This is explained by the oil exploration and exploitation activities in the South-South; the presence of the capital city, Abuja in the North Central, and the large amount of commerce in the South-East. Furthermore, statistics on rural-urban migration in Nigeria show that 60% of internal migrants live in urban areas. However, this masks State-level differences. Anambra (98%), Lagos (97%), Ebonyi (90.3%), Enugu (86.2%), Ogun (80.6%) and Oyo states accommodate large proportions of internal migrants in urban centres, while Akwa Ibom (16.7%), Bauchi (18.2%) and Taraba (31.5%) have relatively small proportions of migrants living in towns and cities. The economic space of Nigeria, to a certain degree, is thus influenced by the spatial distribution of population, urban development and migratory flows.

Two major patterns manifest themselves in the Nigerian economic space: inequalities between urban and rural areas and between different geopolitical zones. The urban centres tend to have a disproportionate share of public facilities to the detriment of rural areas. The over concentration of infrastructure induces rural-urban drift. Rural residents leave the relatively neglected rural sector for urban centres in search of better living standards. Available statistics prove the existence of the rural-urban disparity in the level of development. For example, the baseline survey on National Water Supply and Sanitation indicated that 75% of residents in urban areas have access to safe water compared to 45% in the countryside. According to the 2010 Nigerian Education data survey, it was found that 60% of children in urban areas attend secondary schools against only 36% in rural areas. At the geopolitical level, inequality is pronounced. The 2009 UNDP *Human Development Report* for Nigeria revealed wide spatial variation in GDP per capita among the geopolitical zones. The South-South has the largest GDP per capita (USD 3 617.4), followed by North-West (USD 1 898.9), North-Central with (USD 1 320.3), South-West (USD 1 309), North-East (USD 343) and South-East (USD 292.2) per person. Noticeable regional variations exist in the number of Nigerians who live on a dollar a day. According to the 2010 Nigeria Poverty Profile, 70.4% of people live on less than a dollar a day in the North-West, 50.1% in the South-West, 59.2% in the South-East, 59.7% in North-Central, 69.1% in North-East, and 56.1% in South-South.

Conflict is both a result and a driver of regional inequalities. The lack of economic opportunities and poorly performing education and health care systems lead to widespread dissatisfaction, which is often a precursor to conflict. Likewise, the lack of investment in conflict-affected areas serves to perpetuate regional inequalities.

In the course of competing for control of political power and natural resources, some ethnic groups or geographical territories are at a greater advantage whereas others become more disadvantaged. A source of frequent conflict is the allocation of fiscal revenue from the Federation account. Criteria often applied in the distribution of funds are derivation, population, equality of States, internally generated revenue, land mass, terrain, population density and ecological damage. On these bases, the revenues are shared among the three tiers of government. Each tier lobbies for a larger share of the federal revenue, resulting in long-standing, "vertical" disputes.



The inequitable distribution of petroleum wealth has triggered several debates on the pattern of access to crude oil. The divergent viewpoints can be distilled into three. The first assumes that the Federal government should have the exclusive right of petroleum resources on the basis of even development and national unity. Federal control should even out distribution so that resource-rich States should not be better off than others, hence undermining national unity. This point of view is countered by two others that suggest control of resources should be either by non-resource-rich States or, on the contrary, only by those States whose riches are being exploited. The latter, “resource control” perspective, has been strongly advocated by the governors of the oil-producing states following decades of neglect and environmental injustice with relatively low levels of development. In addition to the inequitable pattern of access to oil resources, another source of spatial conflict has been agitation for the creation of new states.

The objective of spatial planning is to reduce regional inequalities. The ultimate beneficiaries include specific groups of people or territories adversely affected by current practices. Nigeria has made several attempts to address territorial or spatial development. There were three national development plans (NDPs) following independence. The first two were devoted to sectorial and fiscal planning with no emphasis on the regions and in the absence of a spatial framework. The third NDP (1975-1980) was the first attempt at regional development planning. It acknowledged the presence of uneven development – “a situation where some parts of a country are experiencing rapid economic growth while other parts are lagging behind”.

States and local government areas (LGAs) were seen as important instruments for promoting development in the country. Thus, jurisdictional partitioning or the creation of States and LGAs became a vector for regional planning and a means of bringing government closer to the people. Some research appears to have shown that the territorial fragmentation of Nigeria has increased the quantity of infrastructural facilities, increasing the level of development in beneficiary regions. Though jurisdictional partitioning facilitates a wider geographical distribution of public goods and services, it does not ensure an equitable distribution of resources.

The 1992 Urban and Regional Planning Act empowers all tiers of government to develop regional development plans. Some states like Lagos, Ogun and Niger have developed and are currently implementing their regional development plans. In addition, the act provides for the establishment of a National Urban and Regional Planning Commission and the implementation of a National Physical Development Plan (NPDP).

There have been efforts in some cases to develop regional development plans outside the geopolitical zones. For example, the Niger Delta has a regional development plan known as the Niger Delta Regional Master Plan drawn up and implemented by the Niger Delta Development Commission (NDDC). Its goal is to bring sustainable and even development to establish a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful. The Niger Delta is arguably the richest but one of the least-developed regions in the country, suffering from widespread poverty, insecurity and severe environmental degradation. There are efforts currently underway to develop a regional development plan in the North-East region as part of a developmental security response to the insurgency of Boko Haram’s terrorist activities. The wave of terror and its accompanying political instability has held back the region’s economy.

Currently, according to the Federal government’s Vision 20:2020, Nigeria will be one of the top 20 largest economies on the planet by 2020. By then, it would have achieved spatial inclusion with a large strong diversified competitive, technologically enabled economy that effectively harnesses the talents and energy of its people. With respect to physical planning, one of the objectives of NV 20:2020 is the achievement of equitable and spatial economic development across the various geopolitical regions in Nigeria.

In summary, it is important to note that territorial justice is guaranteed in the federal nature of the Constitution of the Federal Republic of Nigeria. The principle hinges on the belief that all States have equal access to political power, federal representation and national wealth. Though there have been several policy attempts at territorial development in Nigeria, however, none so far has successfully addressed the fundamental causes of uneven development.



RWANDA

Rwanda's population is estimated at 10.5 million people. The country is still largely rural, with 83.0% of Rwandans living in the countryside. Fifty per cent of Rwandans are under 19 and 3.0% of the population is aged 65 and above. The mean age is 22.7, and 34.0% of the urban population is aged between 20 and 34, compared to 24.0% in rural areas. Rwanda's rural communities are characterised by some key differences. For instance, large commercial farmers co-exist with smallholder farmers, especially in the eastern part of the country. Nationally, 26.9% of household output is sold, but over 70.0% of the population is still engaged in subsistence farming.

Rwanda's population density is one of the highest in Africa, with 415 inhabitants per km². Eastern Province has the lowest average population density (275), while Northern Province (528) and Kigali (1 556) are the most densely populated. The difference in population density across provinces is in part due to internal migration.

During the colonial era, Rwandans migrated significantly to neighbouring countries, pursuing economic opportunities in the mining industry in Katanga region of the Democratic Republic of Congo (DRC) and plantations in Uganda and Tanzania. After 1959, a number of Rwandans migrated to Eastern Province to escape ethnic violence. The *paysannat* (1954) and *villages-pilotes* (1977) policies attempted to address population pressure. The former consisted of planning rural settlements and housing by regrouping rural populations along the main access roads in order to efficiently utilise land. The latter complemented the former by focusing on rural settlements in regrouped habitats, such as in the current Eastern Province. However, both policies were not successful as population growth and resulting pressures on land and other social services continued to increase.

In the early 1990s, migration to urban areas was in part driven by political insecurity. However, after the 1994 genocide, migration and spatial mobility were largely associated with rapid economic growth and the availability of opportunities and land in Kigali and Eastern Province respectively.

EDPRS 2 articulates various approaches to stimulating investments in priority sectors across the country. These actions, which are at various stages of implementation, include: i) the expansion of targeted economic zones, in particular the Kigali Special Economic Zone (SEZ) and four provincial industrial parks in Huye, Rusizi, Nyabihu and Bugesera (one in each of the four rural provinces); ii) the transformation of Rwanda's logistics system to strategically grow and promote exports and re-exports to the region, particularly to Burundi and eastern DRC; iii) the implementation of the Kivu-Belt Tourism Master Plan to diversify Rwanda's tourism sector (Kivu-Belt is a strategic economic corridor around Lake Kivu); and iv) the development of six secondary or satellite cities in Huye, Muhanga, Musanze, Nyagatare, Rubavu and Rusizi to serve as growth poles and centres of non-farm economic activity.

Public spending is also deployed to foster spatial inclusion. For instance, the total tax revenue share of intergovernmental transfers increased from 37.0% in 2012/13 to 39.5% in 2013/14. Moreover, the transfer formula contains an equalisation mechanism to compensate for disparities in fiscal capacities and needs across local governments.

The NSCD & LED is being implemented and provides a co-ordinated, inclusive and systematic approach to spatial inclusion. As discussed under *Poverty Reduction, Social Protection and Labour*, the NSCD & LED has contributed to the development of vibrant eco-systems, with potential for fostering human development and attracting investments.

The growth in the share of rural households living in integrated and economically viable planned settlements is in line with the EDPRS 2 objective of increasing the country's urbanisation



rate from the current 18% to 35% by 2020. However, growth in the urban population will exacerbate pressure on land, settlements, infrastructure and economic resources. Thus, urban planning, including a focus on social and economic infrastructure, is a key imperative. Moreover, the high population density will require pragmatic solutions to ensure efficient and optimal utilisation of natural resources, including land.

SAO TOME AND PRINCIPE

Sao Tome and Principe is a small island state located off the coast of Central Africa. The population totals 187 356, according to the 2012 census conducted by the National Institute of Statistics (INE), with 33% of the inhabitants living in rural areas and 67% in urban areas. The population is most concentrated in the district of Agua Grande (73 091), followed by Me-Zochi (46 265), Lobata (20 007), Cantagalo (18 194), Lembra (15 370), the Autonomous Region of Príncipe (7 542) and Caue (6 887). A 2011 survey on poverty, conducted jointly by the government and the UNDP via the INE, found that poverty mostly affects women (71.3%) and is more prevalent in rural areas, resulting in a significant migration of rural workers to the cities. In 1977, two years after independence from Portugal, the government initiated fundamental reforms and privatised land from Portuguese-owned plantations. The reforms aimed to reduce disparities between urban and rural areas. But the agriculture sector has faced major difficulties due to a lack of investment and insufficient skilled labour needed to make these plantations sustainable. A new agriculture policy aims to ensure food security and reduce imports by improving national production of food, and to restructure agricultural exports in order to increase export volumes and prices.

Challenges are increasing for Sao Tome and Principe as the country's vulnerability to climate change becomes apparent, with rising temperatures and a simultaneous decline in rainfall. As a small island country, Sao Tome and Principe is directly exposed to rising sea levels, and its coastal areas are facing serious erosion due to exploitation of embankments for construction materials (sand, bricks and clay, in particular). Meanwhile, more than 80% of the population depends on agriculture, fishing or other activities directly related to the primary sector. Rural areas are still confronted with various inclusiveness challenges, among them access to sanitation, clean water, schools and hospitals. The decentralisation of decision-making authority, which aims to transfer greater autonomy to local and regional government agencies, has yet to prove effective. The general perception is that the political class is still reluctant to embrace this shift. In addition, the budget for rural areas remains insufficient in view of current needs and the growing young population. Nevertheless, the authorities are making efforts to improve conditions through: i) support to families in extreme poverty; ii) a school feeding programme; iii) a vaccination programme; and iv) increased allocations to the social sector in the state budget. At the country level, infrastructure continues to be a huge development constraint as corroborated in a 2010 AfDB study on the cost of insularity in Sao Tome and Principe. Deficiencies in the country's infrastructure limit its growth and trade potential. Shipping costs are estimated to be around 30% to 40% higher in Sao Tome than in Libreville. Limited accessibility and connectivity translate into high transportation and communication costs. As an island country, Sao Tome and Principe has access only to air and maritime transport for physical movement of goods and people and ICT for digital connectivity. The majority of infrastructure programmes are largely financed by external assistance owing to weak government capacity to mobilise sufficient domestic resources.

Irregularities in data collection by the national statistics institute, INE, continue to affect the country's development prospects, including the organisation of spatial development strategies. There is an urgent need for a concerted approach between the government and its subnational agencies to support policy making through systematic statistical data collection on rural/urban areas. Despite its key role, the collection of statistics did not receive major funding in the government's 2014 national budget, and a significant investment is necessary. Furthermore, despite the ambitious reach of the 2014 budget, a system of local budgets is non-existent. All budget preparation is undertaken at the central government level through a consultative process with local authorities, including the autonomous region of the island of Principe, given the limited available resources. There is no guarantee that the needs of each local government and district will be addressed through the national state budget, with resulting delays in the implementation



of their local development plans. As for taxation, the public finance law stipulates that any increase in taxes needs to be endorsed by members of the national parliament.

In addition, the country still has no strategy to address territorial inequalities. The first National Planning Document (NPD) dates back to 1977, two years after independence from Portugal. With support from the government of Yugoslavia, this first national plan on occupation, use and transformation of land took into consideration the comparative advantages of each zone and district. The current NPD is based on the principle of balanced and parsimonious use of land, bearing in mind the issue of protection of resources for future generations. The government intends to respond to the glaring housing shortage among youth by creating urban centres with housing programmes for various social groups. To sustain this housing policy there is an ongoing project, Urban Development Support of Sao Tome and Principe, that focuses on three interrelated components: i) spatial planning; ii) housing policy and non-conventional methodology for construction; and iii) structuring and management of the social development fund. To date, the country has urban expansion plans in place only in the city of Sao Tome, the northern sector between Gongga, Santo Amaro and Airport, and the capital district. A legal framework on territorial management has been prepared but is awaiting approval and publication.

In 2015, the government envisages preparing a National Planning Scheme with financial support from the AfDB. There is a strong synergy between the country's spatial inclusion vision and the AfDB's strategy for inclusive growth in Africa. Both strategies seek to expand the economic base across barriers of age, gender and geography through investment in infrastructure that will bring opportunities for the private sector, gender equality and community participation. The AfDB is playing a critical role by addressing gaps in African infrastructure via regional integration. The Africa50 initiative launched in 2012, which aims to mobilise private financing to accelerate the speed of infrastructure delivery in Africa, is also an important vehicle.



SENEGAL

Senegal has 385 rural communities, 126 municipalities, 46 district councils and 14 regions, which are unevenly developed. Better spatial inclusion is necessary, and this will depend on how Decentralisation Act III, adopted on 28 December 2013, is applied. It aims to organise the country into territories that are viable, competitive and conducive to sustainable development through four specific objectives: to renew the administration in view of territorial coherence; to clarify the jurisdictions of the state and of local communities; to develop contractualisation between these two levels of decision making; to modernise territorial public management by reforming local finances and through constant promotion of the quality of human resources.

Senegal's economic and demographic geography is characterised by the preponderance of Dakar, the economic and administrative capital, over the country's other cities and regions. The city of Dakar accounted for 18% of the population in 1976 and 23% in 2013, or approximately three million people. The capital thus concentrates nearly one quarter of the population, and nearly 80% of services and company headquarters on less than 0.3% of the national territory. This reinforces its attractiveness. Developing the urban hub of Diamniadio, 27 kilometres from Dakar, with, in particular, the planned construction of 40 000 residences, a university and a number of ministries, is likely to consolidate the dominant role of Dakar in the medium term. Population has also grown in the regions of Thiès, the only region bordering Dakar, and of Diourbel, 150 km east of the capital. Approximately 13% of the population lives in Thiès and 11% in Diourbel. Dakar is the most urbanised region (96.5%), followed by Thiès (48.8%) and Ziguinchor (45.9%). Between 1976 and 2013, the population was mostly concentrated in the west and the north of the country. According to the 2013 population census, the western third of Senegal is the most highly populated, urbanised and industrialised, and features the largest number of human settlements. The eastern part is the least urbanised and is wanting in equipment, infrastructure and exploitation of natural resources. Moreover, its potential labour force is leaving. Migration flows are mostly to Dakar and Diourbel, two regions that have had positive migratory balances (573 907 and 94 724 persons respectively).

Senegal is a good illustration of the problems brought about by uneven territorial development, and of the need to replace the public-policy approaches traditionally used to try to resolve them. Spatial imbalances endure despite the country's many assets: access to the sea, natural resources (forests, water network, and good soil) and political stability. The urbanisation rate rose from 34% in 1976 to 45% in 2013, with a massive surge of rural populations moving to urban areas. Rural depopulation is nourished by the differences in development between cities and the rural areas. In the Kaolack region, for instance, people migrate because groundnut farming is declining. The Diourbel region has also become attractive because of the rapid development of Touba, a holy city where between 1988 and 1998 the population growth rate was approximately 19% a year, and in 2013 the region had a population of 700 000, with Touba rating as the second largest city in Senegal. This rural district, which has the trappings of a metropolis, hosts religious events all year long, and this attracts many migrants. The state has worked on accompanying its fast development, which has otherwise not been the direct result of public action. The other regions, in particular the central and southern ones, are handicapped by weak infrastructure. This asymmetrical situation limits the development of economic activities, agricultural ones in particular, with crops being difficult to market. The shea nut market, for example, remains underexploited in Senegal even though global trade in shea butter is expanding.

This very uneven development generates tensions, especially over land tenure. There are frequent conflicts between farmers and stockbreeders in connection with land use or how land has been assigned by rural communities. In 2011, for instance, in Fanaye (Saint-Louis region), the



rural council allotted 20 hectares of land for the installation of an ethanol plant. This decision led to fierce clashes ending with the death of two persons. All these issues will have to be taken into account in the land reform being developed, in particular the issues related to a rational use of the country's natural resources.

Another territorial sore spot is the conflict in Casamance, the country's southernmost region, which has been raging since 1982. There are regular incidents, sometimes fatal, between the national army and the armed independence groups of the Movement of Democratic Forces of Casamance (*Mouvement des forces démocratiques de Casamance*). There has been a period of sustained calm, nevertheless, since 2012 as a consequence of the regional approach adopted by the authorities to solve the conflict, with greater involvement of the Gambia and Guinea-Bissau. In addition, in 2014 the government launched the "Casamance development hub" programme to tackle the economic causes of the conflict. The project to build a bridge over the Gambia River funded by the African Development Bank will further open up the region in the medium term.

In parallel to Decentralisation Act III, the country is developing a new national spatial-development plan, the *Plan national d'aménagement et de développement territorial* (PNADT 2015-35), a revision of the *Plan national d'aménagement du territoire* (PNAT 1996-2021) adopted in January 1997. Like Act III, the PNADT intends to establish territories that are viable, competitive and conducive to sustainable development based on a consensus among the different stakeholders. Having analysed the lessons of the limits of the PNAT, the authorities now wish to lay the foundations for balanced and harmonious development. To achieve this, the technical and management capacities of the local communities will have to be improved, given that the development programmes are now under their jurisdiction. For the moment, Senegal has no assessment tools to measure the local actors' performance in providing public services. The authorities will also have to improve mobilisation of internal resources for local development. The state has several mechanisms for financial transfers to local communities, including a decentralisation fund, the *Fonds de dotation de décentralisation*, and an equipment fund, the *Fonds de dotation d'équipement*, but according to a 2013 report by Cities Alliance and the United Cities and Local Governments of Africa, the annual amounts of these funds are not predictable. This makes their execution at the local level problematic.

SEYCHELLES

Seychelles, an archipelagic democratic republic, consists of 115 islands located in the Western Indian Ocean with a total land area of 455 km². A total of 41 islands are granitic, of which Mahe is the largest (155 km², Praslin the second largest (38 km²) and La Digue the third largest (10 km²), while the remaining islands are coralline and rise only a few metres above sea level. The population of the country according to the 2010 census was 90 945 (83 147 are Seychellois citizens) and is composed of a racial mix of Europeans, Asians and Africans and is multilingual (Creole, English and French). Given the small size, its geographical terrain with granitic mountains in the centre resulting in scarcity of land, the country resorted to major land reclamation works in Victoria and the east coast of Mahe from 1973 to 2009. Only 13 of the 115 islands that make up Seychelles are inhabited, with most of the population situated on the three islands of Mahe (91.7%), Praslin (4%) and La Digue (3%). Other islands have a population of approximately 1%. The mainland of Mahe consists of a number of reclaimed artificial islands along its eastern coast and has 26 districts that assist in social services provision at local level, but do not have a fiscal role to play. The new islands are helping meet further development needs of the country and are currently used for human settlements, higher-end tourism accommodation and renewable energy, hosting seven wind turbines. Previous reclamations have been used to extend the width of the coast of Mahe, allowing for a host of economic activities such as port infrastructure and industrial zones.

Over the last decade the country has been adapting its economic model, allowing for more private sector initiative. Issues such as land use, urban planning, and climate change are being discussed broadly in the context of economic growth and job creation.

As the country is of small geographical size, there has been pressure on land to meet development and housing requirements, necessitating land reclamations. The population and economic activity have tended to concentrate on a very narrow coastal strip. There appears to be a lack of proper definition of rural areas in Seychelles. Most of the districts in the country enjoy satisfactory provision of public goods and basic amenities such as sanitation, water and roads. Therefore, the regional dimensions of exclusion are not very evident. The urbanisation rate is 53.6% (UN Habitat, 2014). Some of the most developed regions lie along the northwest coast where the larger and concentrated numbers of tourist resorts, hotels and lodges are located. Recently a new high-end privately financed tourist and housing estate called Eden Island was built on reclaimed land on the eastern coast of Mahe. With only 0.3% of the population living below the USD 1.25 per day poverty line, Seychelles has no absolute poverty. The pockets of poverty that exist are related to multi-dimensional poverty when food and shelter destitution is taken into account and account for around 17%. A household budget survey to be completed by early 2015 will provide more information on other poverty dimensions.

Seychelles inherited a well-defined system of land tenure and rights which has been further strengthened. Despite the acute shortage of land to meet development demands, the country has adopted an effective conservationist approach to land use based on the Town and Country Planning Act for almost the past 30 years. It has established an interministerial body, the Town and Country Planning Authority, which is the authorising body for all land development proposals. In 1992 the National Land Use Plan (NLUP or *Plan d'Aménagement du Territoire – PAT*), was introduced for the three main islands, providing zoning schemes and indicating land use patterns up to the year 2000. The NLUP was developed to allow land use planners to guide development within a global and integrated perspective; it never became a legally binding instrument but evolved as a useful background tool in the Environment Impact Assessment (EIA) process. However, because of changes in the land use policy, especially with the land bank housing projects and the need for



more stakeholder involvement, more detailed and focused district land use plans (DLUPs) are now superseding the NLUP. The DLUP is also used in the screening of development projects requiring EIAs, in conjunction with a sensitive area map prepared by the Ministry of the Environment.

Virtually the entire country has been considered to be “coastal”. Seychelles has established itself as one of the Indian Ocean biodiversity hot spots. Coastal zone management is considered to be an important element of environment management. Seychelles has among the highest percentage of protected area in the world with over 50% of its land territory under legal protection. In 2010, the government demarcated a further 93% of Silhouette Island which is home to a range of endemic species and harbours unique ecosystems found nowhere else. The need to preserve the large number of plants and species unique to the islands has created strains on housing development plans with the pressure being highest in the coastal plain, which represents over 80% of flat land or land of high value for development. The government has pursued a policy of providing every needy family with housing through home-ownership.

A number of plans have been elaborated over the last 15 years dealing with overall, thematic and sectorial development, the major ones being the Strategy 2017, Seychelles Sustainable Development Strategy 2010-2020 (SSDS) and Vision 2020. The principal sustainable development mechanism in Seychelles is the Seychelles Sustainable Development Strategy 2011-2020 (SSDS 2011-2020) which replaced the Environment Management Plan of Seychelles (EMPS 2000-2010). It remains a multi-thematic programme that defines policy and strategy within 13 thematic areas. Seychelles is also finalising a medium-term National Development Strategy 2015-2019.

Overall, the development challenges in the country relate more to the limited land area and pressures posed by development, high density of population, emigration, lack of skilled human resources, and migration than to spatial exclusion



SIERRA LEONE

The spatial nexus in Sierra Leone is essentially rural/urban. In 2010, an estimated 61.6% of the population resided in rural areas, while 38.4% was urban (defined in the 2004 census as those living in the five largest cities). Freetown accounted for roughly 40% of the urban population in 2010. Most of the rural population was dependent on agriculture while the lion's share of services, assets, and earned incomes were located in urban areas.

Assessing spatial inclusion in Sierra Leone is rendered difficult given the challenges the national statistical agency, Statistics Sierra Leone, faces in strengthening its statistical capacity, conducting timely analyses of collected data, improving access to data and retaining personnel. While improvements in collecting statistical data have taken place since 2004, more needs to be done to align capacities so that they meet international requirements on quality and accountability at both local and national levels. Historically, geo-spatial statistics in Sierra Leone such as cadastral, administrative boundary maps, and attribute information from population characteristics have been gathered from isolated systems of surveying. Statistics Sierra Leone has now developed a geographic information system under its 2008-12 national development strategy.

Sound spatial economic policies and financial governance are essential to reduce poverty levels and improve economic growth in Sierra Leone. Good public financial management (PFM) is thus important for efficient, effective and equitable use of scarce national resources. Sierra Leone has made attempts at effecting spatial inclusion in PFM over recent years. In 2010, a full PEFA analysis was conducted of 5 of the 19 local district councils of Sierra Leone. According to the report, which was published in 2012, the roles, responsibilities and reporting channels for public officials in the management of public funds are clear. The Bank is also funding an internal or self PEFA assessment for an additional seven local councils which started in 2014 and would conclude this year.

Sanctions for financial misconduct are included in the Financial Management Reform (FMR) and all 19 councils currently have internal audit units in compliance with the local governments act. These internal audit units monitor compliance with regulations, respect for internal controls and other financial directives. Other features of the FMR include budget classifications to capture transactions at the central and local government levels, internal audit and recognition of the computerised accounting system IFMIS, the Medium Term Expenditure Framework (MTEF) and PETS. In 2004, the government began transferring central government staff to local councils to help boost administrative and technical capacities to deliver the services that were also being transferred. A capacity building strategy was also developed both at local and central levels to effect the required changes. Additionally, a local government service commission was recently introduced to deal with the recruitment of competent staff for local councils. Although Sierra Leone does not have a dedicated strategy for spatial inclusion (other than what is subsumed in the A4P), the constituent elements are present in its economic strategy including PFM policies.





SOUTH AFRICA

Spatial dynamics are evolving quickly in South Africa, where the spatial structure perpetuates exclusion. Weak infrastructure, inadequate skills, poor innovation capacity and weak governance prevent many places from growing economically.

Opportunities and growth dynamics can be unlocked within regions that are currently lagging and densely populated isolated zones, which have not changed much since the end of apartheid. The distribution of South Africa's population is asymmetric. Population density was last measured at 41.16 persons per km² in 2010. The Gauteng province includes the largest share of the population. Approximately 12.7 million people (24%) live in this province followed by KwaZulu-Natal with 10.5 million (19.7%). Northern Cape remains the province with the smallest share of the population (2.2%). Rural areas have 28% of the population and 40% of the nation's poor.

South Africa's land distribution is one of the most unequal in the world. Under the old colonial system, 87% of the land was owned by around 60 000 white farmers or by the state. Since 1995, 2.6 million hectares have been handed to black farmers (via land restitution programmes) who now own at least 27% of the land. The land redistribution programme, which differs from the land restitution programme, had by 2010 handed a further 3.1 million hectares, or 2.5% of the surface area, to black South Africans pushing up the share of black-owned land to at least 32.5%. However, the programme has under-performed on its initial targets because of the combination of inadequate funding and lack of institutional capacity to negotiate "fair" prices for identified land. A package of policies has been introduced to address these challenges including the establishment of a Land Management Committee and the Office of the Valuer General.

In Cape Town, recent attempts to strengthen the spatial framework found that there was little relationship between areas where infrastructural capacity existed and the areas of densification. In Johannesburg, infrastructure limits, particularly with regard to power, but also other services, have resulted in the development of a growth management strategy, which is carefully managing development authorisations in terms of spatial plans. South Africa faces an unconventional challenge because it has a spatial realm that is neither rural nor fully urban. In many ways, South African townships – and especially informal settlements – are similar to slums in the developing world. Nonetheless, never was a slum formed with as much central planning and purpose as were some of the larger South African townships. Informal settlements in South Africa share many economic characteristics such as joblessness, uneven access to basic public services, and overwhelming levels of crime and violence and bigger proportions of foreign immigrants. A major problem is their poor degree of connection to urban centres because of insufficient public transport infrastructure. Rail and roads need upgrading and expansion to cope with the increasing volume of passenger and goods transport. The government has published a national infrastructure plan laying out investment needs and plans over the next decade. Different levels of governments have undertaken actual investment planning within each sector and according to their business plans. Nevertheless, the absence of cost-benefit or other analysis to identify projects with the highest social returns means a possible lack of priorities and co-ordination across sectors.

According to the World Bank 2009 report on transport prices and costs in Africa, connectivity is a challenge also in rural areas: around 70% of South Africa's rural population live at least two kilometres away from an all-season road. Moreover, the framework legislation for the use of communal land in traditional areas is still not in place. This creates uncertainty and affects the legality of various forms of land use, ranging from sub-letting plots of land to migrant mine workers to the establishment of industrial zones for long-term leases.



The digital divide also remains deep. Access to high-quality communication services and technologies, infrastructure and content remains largely limited to the privileged few. Only 2% of households in rural areas had access to fixed-line Internet infrastructure compared with 9.2% in urban and 16.2% in metropolitan areas in 2013. Consequently, seven out of ten South Africans are using their mobile telephones to log on to the Internet.

Small and medium-sized communities still face obstacles in the implementation of decentralisation. From 1996 the constitution and subsequent legislation put the municipalities at the heart of local development, entrusting them with a high level of autonomy and responsibilities in service delivery. The six largest metropolitan municipalities are able to borrow from well-developed financial markets and generate around 90% of their own revenue. However, inter-municipal disparities are high. Small and medium-sized municipalities generate only a small share of their revenue. They are unable to obtain credit from financial markets and rely largely on transfers from the central government: for example, transferred through the equitable share mechanism aimed at reducing inter-regional disparities. Limited resources and capacity constraints hinder these municipalities in carrying out their responsibilities and effectively collect revenue.

South Africa has entered a stabilised stage in its demographic transition, indicating low mortality and fertility. In the late 1960s, the fertility rate was about 6.7, falling to 2.9 in 2001 and to 2.3 in 2011. It is projected to fall to 2.1 by 2030, so that the population is expected to increase by a little over 8 million by 2030.

For the next 20 years, South Africa will have over 14 million young people between the ages of 15 and 29. The number will peak in 2021, reaching 15.1 million. This presents a tremendous opportunity – but it also constitutes a serious risk, given that joblessness mirrors age and race fault lines. Unemployment rates are highest among the young in the group aged between 15 and 34 (36.1% in 2014). For black youth, the unemployment rate is 39.4%. If left unresolved, this trend poses the single greatest risk to social stability.

In the post-apartheid era, spatial frameworks relying on an abstract design approach, and centred on the use of nodes and corridors, became a standard form of planning in South Africa. The Maputo Development Corridor (MDC) was launched in 1996 and represents the first regional corridor initiative in Southern Africa. The corridor aimed at increasing trade between and along its starting points in the Gauteng province and the Maputo harbour in Mozambique. It involves investment in roads, railways and ports. However, local populations along the corridor do not always benefit from greater connectivity. The Trans-Kalahari Corridor linking Windhoek with the Gauteng province is another transnational corridor.

After years of unrest and protests for better local service delivery, some rural areas have large populations that are now experiencing positive effects in terms of social service benefits, despite challenges that remain. From 2008 to 2012, the number of consumer units receiving the four basic services (water, electricity, sewerage and sanitation) as well as solid waste management has risen.

SOUTH SUDAN

South Sudan, which became independent in 2011, is made up of ten states – although not federal states – with significant autonomy. Many states collect their own taxes but this is not standardised across the board.

Since independence, the political landscape has continued to be dominated by both internal and external threats to sustainable peace, security and stability with deep implications for spatial inclusion. In December 2013, the fighting that erupted in Juba and spread outside Juba into the countryside has severely affected three states – Jonglei, Upper Nile and Unity. These same states have a large share of displaced people. For example, of the 1.4 million displaced people, one state has almost half – Jonglei (43%) – and the three conflict-affected states together account for 81%. In terms of displaced sites, the three states have 103 (or 57%) of the displacement sites.

The country also evolved under very difficult conditions, moving from armed conflict with Republic of Sudan to another (internal) armed conflict. The conflict with Sudan is over oil, and the ongoing armed conflict between the sitting government and the opposition is also largely due to oil. The fighting is in the three states where there are oil reserves, or production is going on. The situation in the three states most affected by the conflict (Upper Nile, Jonglei and Unity States) has largely stabilised. However, low intensity insecurity continues to persist.

Unfortunately the two states – Upper Nile and Unity – with oil fields are the same states that are experiencing armed conflict between government and the forces aligned to Riek Machar. Oil blocks are also found in the third state – Jonglei – where fighting is happening. Therefore the fighting is creating exclusion for the oil-producing communities and the entire country.

Apart from oil, there are other natural resources that have not yet been exploited, yet with great potential for government revenue and jobs – examples include gum arabic and shea nuts. These could be considered as new “pioneer fronts” to create household incomes and government revenue that could also contribute to conflict resolution. Gum arabic covers one corridor and shea nuts cover another. Improving value chains for these natural resources alone would ensure economic inclusion for a large part of the country. Both these value chains are still in their infancy in most parts of the country.

One can focus on South Sudan’s poverty, low human development indices, political tensions and conflicts: or its ultimate potential for strong rates of growth, high foreign direct investment, and innovation. However one looks at it, the reality in South Sudan is that its diversity and dramatic challenges are related to its untapped natural resources. Its future depends on the way governments (county, state and central), regional bodies (IGAD, AfDB) and international agencies (the United Nations) deal with these challenges.

South Sudan has a National Development Plan that was initially for two years to 2013 and has since extended to 2018. It was the first soon after independence. However, the country has no dedicated institution to undertake long-term visions such as a planning authority or a department for economic analysis. In addition, the country has no Medium Term Expenditure Framework (MTEF). The main obstacle to spatial planning is low public service capacity. There are several initiatives to address the problem – including a peer-to-peer training initiative by IGAD that involves twinning Uganda, Kenya and Ethiopia civil servants with those of South Sudan.

While it is a country with impressive natural resources, oil in particular, the challenge is for the government to access and distribute the wealth of the country in a way that benefits the population. The main and only revenue of the country currently comes from oil: 3% of oil revenue is transferred to oil-producing communities. Other than the conflict, the question is whether this is a national, state or community resource. At a glance this does not seem to create any inclusion



or exclusion. When this principle is followed, it signals that communities that produce natural resources need to be rewarded as such. What happens to communities with no natural resources? This extends to gold, gum arabic, national parks etc. At the very least, the communities without natural resources should not be marginalised.

The increasing rural-urban migration has not been matched by proper physical planning and effective waste management. This has resulted in congestion of towns and poor sanitation, with many people residing in poor and over-crowded shelters. This phenomenon is putting people's lives at the mercy of communicable diseases. The major challenge with internally displaced people is the diversion of development to humanitarian assistance. Upon the onset of the conflict, there was significant shift away from development to humanitarian assistance as people were displaced from their homes. And this humanitarian assistance has largely been channelled through Non-Government Organisations, which in itself does undermine the development of institutions of government.

There is limited access to the armed opposition controlled areas and, as a result, donor and government funded development projects and programmes have largely ceased. Only humanitarian activities are ongoing in the three affected regions. At the same time, as the conflict has led to shift of focus and resources by donors with development funds being redirected to humanitarian responses, the three affected states are getting humanitarian assistance while the seven peaceful states are not getting much attention.



SUDAN

Sudan is the third largest country in Africa and covers 1 886 068 km². It has an 853 km coastline on the Red Sea, borders Egypt, Eritrea, Ethiopia, the Central African Republic, Chad, Libya and South Sudan and encompasses a number of ecoclimatic regions. The Sudan Central Bureau of Statistics defines an urban centre as a settlement of administrative or commercial importance or with a population greater than 5 000 inhabitants. According to the latest census of 2008, out of a total population of 30.9 million, 32.9% live in urban areas and 67.1% in rural areas, 8.9% are nomads, 0.8% are internally displaced and 0.1% are refugees. In 2012, the population density was low, at about 20 per km² compared to 99.1 in sub-Saharan Africa, and unevenly distributed, with 43% living in 25% of the surface area.

The evolution of Sudan's spatial system has been largely affected by post-independence development of export-oriented agriculture and industry and, since the late 1990s, by oil extraction. Despite its low population density, the country is urbanising rapidly. Between the 1993 and 2008 censuses, urban population grew by 31%, and a 74% increase by 2020 is projected. Sudan's urban hierarchy is dominated by the capital city, eight cities with populations greater than 200 000 and a large number of pre-urban areas. The number of cities with populations greater than 100 000 increased from 9 in 1993 to 15 in 2008. Rising urban concentrations have been associated with an increasing shift from traditional staples to wheat, which is largely imported, and this is expected to dilute urban linkages with domestic agriculture. Growing urban pressure for cheap food also contributes to fiscal instability and political unrest, as evidenced by food riots in 2012 and 2013.

The growth of aggregate demand associated with the oil boom of 1999-2011 induced the expansion of urban-based consumer-industry services. The 41% GDP share of services and manufacturing in 2013 shows urban expansion as having been crucial to economic growth. Rural-urban migration and the resulting increase in seasonal labour shortages, however, have raised the cost of agricultural production. Dependency on oil has also weakened industrial linkages to the economies of urban agglomerations as reflected by a high rate of enterprise closure (41% in 2001-07). The decline of industry is notable in Nyala, the second largest urban concentration in the country, where 85% of small and medium-sized enterprises (SMEs) closed between 2002 and 2006. Constraining the growth of SMEs will undermine an efficient clustering of production factors including non-farm linkages, which are important for strengthening agricultural value chains and spatial inclusion. Rapid urban growth has also been caused by worsening conditions in rural areas, protracted civil conflicts and favouring of the capital city, which grew 11 times more than the second largest city. Persons who have been internally displaced (about 1.9 million in 2011) by civil conflict in the states of Blue Nile, Darfur and South Kordofan have also contributed to urban growth, with negative effects on utilities. In this regard, confronting the causes of the war and improving access to land and the services in these states will be crucial for voluntary return of the displaced.

The failure of successive governments to provide basic infrastructure and consolidate land entitlements has significantly contributed to rapid and inefficient urbanisation with limited specialisation. The current government, aware of the challenges presented by high urban growth, enacted a long-term development plan (2007-31) in 2007 with a view to diversifying the economy by enhancing the role of micro, small and medium-sized enterprises in industry and agriculture. The 1994 Physical Planning and Land Disposal Act mandated responsibility for urban planning to the Federal Council of Physical Planning and Land Disposal (established in 1995). Additionally, a National Council for Physical Development was established in 2005 and a National Fund for Housing and Construction in 2009. Urban-planning responsibilities and provision of urban infrastructure have thus been entrusted to the central and state governments as well as the localities, and this



has tended to reduce their co-ordination efforts. Several policies have been adopted to deal with urban sprawl including re-planning, upgrading, incorporation of villages and regularisation of informal settlements. While these strategies have improved spatial inclusion by integrating poor neighbourhoods, they have been criticised for being used by politicians to segregate opposition, particularly migrants and IDPs from Darfur (UN-HABITAT 2009). Additionally, Sudan's Interim National Constitution, amended in 2014, affirms the country's governance on the basis of a decentralised and democratic system. The state is the main power base at the subnational level and is headed by a governor, whereas the locality is the second level down and is led by a commissioner. Localities deal with communities through urban and rural administrative units but have no direct executive or legislative functions other than co-ordinating the functions delegated by the governor. States and localities prepare annual budgets with revenues from own sources and funds transferred from the respective higher levels of governance. Both, however, have limited resources to comply with their service-delivery obligations, not to mention that their mandates for service delivery often overlap, which in turn weakens the potential benefits of urban agglomeration.

Aside from the 2007-31 long-term development plan, specific spatial planning is needed that will focus on concentrating resources in urban agglomerations while redressing the potential political risks and backlash related to economic clustering. Area-specific master plans have been developed for Khartoum, Nyala and Port Sudan, but lack of funding, civil conflicts, rapid urbanisation and the growth of informal settlements have weakened their implementation prospects. Historically, spatial exclusion and inequality in Sudan in the form of high core-periphery polarisation has contributed to rural poverty and civil wars. The government should thus focus on reforming land rights and basic services in both urban and rural areas. More importantly, resolving civil war and strengthening local governments, as well as reviving the rural economy will not only boost growth, it will also enhance peace consolidation. To this end, the government has AfDB support to accelerate diversification of the economy after the loss of major oil fields following the secession of South Sudan.



SWAZILAND

Swaziland, one of the smallest countries in Africa, had a population of 1 018 449 in 2010 increasing by 1.5% per year, and an area of 17 363 km². The country is ecologically classified into low-veld, middle-veld and high-veld and the administrative structure is composed of 55 Tinkhundla regrouped into four administrative regions, namely Hhohho, Manzini, Lubombo and Shiselweni. Manzini and Hhohho form the economic and administrative bosom of Swaziland with most of the business entities and government offices, while Lubombo is the political administrative centre, home to the king's palace and the national assembly.

As regards gender, women comprise 53% of the population while the age structure exhibits a youthful population of almost 78% below 35 years, of which young adults (15 to under 35 years) constitute 39%. The rural to urban ratio is high with 79% of the population rural, which is much higher than the 63% average of sub-Saharan Africa as a whole.

The country's overall poverty incidence declined from 69% in 2001 to 63% in 2010, but with significant regional divergences. Over the 10-year period, Shiselweni, the poorest region, experienced the largest drop in poverty from 82% to 68%, thus having a narrowing effect on the poverty gap from 22 to 11 percentage points. All regions experienced a decline in poverty except Hhohho, home to the capital city Mbabane where poverty increased slightly from 60% to 61%. Hhohho comprises the wealthiest area, Tinkhundla (Mbabane East and West), as well as one of the poorest (Maphalaleni) areas. This phenomenon is largely attributable to rural-urban migration as well as immigration and settlement of foreigners. In general, poverty remains a rural phenomenon in Swaziland at 73% in rural areas and 31% in the urban areas. In 2010, 67% of female-headed households were poor compared to 59% of male-headed households; this is an improvement from 72% and 67% in 2000, respectively.

Over 90% of households have access to safe water in the urban areas compared to 60% in the rural areas. Access to safe water has increased significantly for all regions. The Shiselweni region has the lowest access to safe water, at 55% of households. On average, 88% of the highest quintile has access to safe water compared to 63% of the lowest quintile. As access to safe water has a strong correlation to health and well-being, it is important for Swaziland to improve access for all citizens. In contrast, access to sanitation, on average, declined in the urban areas from 60% to 57% while it remained constant at 27% in rural areas. The region with the highest access to good sanitation is Lubombo at 89% of households. A remarkable increase in access to sanitation was recorded in the poorer regions, with the proportion doubling from 22% to 44% in Shiselweni. However, access declined in the Economic Zones such as Hhohho from 45% to 41% and in Manzini from 48% to 32%. This can be attributed to growing urban populations and increases of slum settlements where proper sanitation is not accessible. About 60% of the highest quintile of the population has access to acceptable sanitary facilities compared to 14% of the lowest quintile.

Access to electricity increased in the urban areas from 58% in 2000 to 66% in 2010 and from 12% to 31% in the rural areas. The region with the highest urban access to electricity is Lubombo at 83% and the lowest is Shiselweni at 46%. The commercial centres of Hhohho and Manzini record access of 65%. The government focus on improving electricity coverage in the nation is encouraging, and must continue, especially in the economic and commercial zones, as electricity is a catalyst for small businesses and for development.

Swaziland with a literacy rate of over 87%, has remarkably maintained parity in education across gender and regions. In 2010, a net primary enrolment of 92% was registered across all four regions and across gender lines. However, Manzini recorded the lowest net enrolment with 80% for boys and 81% for girls while Shiselweni had the highest with 88% for boys and 93% for girls.



Primary enrolment is high across all income groups. Net secondary school enrolment improved in all regions and across gender lines, but was a low at 37% for boys and 41% for girls. The low transition rates from primary to secondary education make it pertinent for the government to invest in technical and vocational education for youth to build skills and integrate them in the development fold.

The government's achievement in attaining parity in education enrolment across all the four regions should be replicated in other sectors as well. As long as the availability of social and economic amenities differs substantially among the regions, prospects for change and inclusive growth will remain uneven. The government is encouraged highly to continue investments in all regions and initiate opportunities in marginalised regions, like Shiselweni, to promote inclusive and sustainable growth for the benefit of all Swazis.

The 2005 constitution provides for a democratic disposition and articulates empowerment, encouragement and participation of all citizens at all levels of governance. The constitution is complemented by the 2006 decentralisation policy. As stipulated in all other national documents, poverty reduction and human development remain the primary focus of the government. A decentralisation strategy has yet to be developed, but the government is considering the implementation of pro-poor budgeting. As noted earlier, the MTEF is being finalised to be implemented in the 2015/16 annual budget process in a bid to promote results-based planning and budgeting as well as to foster accountability at all levels of government. Another issue under discussion relates to dedicated resources for regional development funds aimed at giving more control to the regions to design their programmes and implement their priorities in an effort to minimise rural to urban migration.

TANZANIA

Tanzania has achieved impressive growth in the last two decades. But the high growth levels have not translated into accelerated poverty reduction, and spatial inequalities are high, with huge disparities between rural and urban areas, and between geographically advantaged and disadvantaged regions. Economic growth, which reached 7.3% in 2013, has been driven by a few sectors, particularly telecommunications, financial services, retail trade, mining, tourism, construction and manufacturing. With the exception of mining, activities in these sectors are largely concentrated in urban areas and are relatively capital intensive, other than construction. In contrast, growth in the labour-intensive agricultural sector remained low, at 4.3% for the 2000-12 period. Far slower growth rates in agriculture than in industry and services have resulted in high rural poverty, with rural households constituting 83% of the country's poor. Population growth has outpaced growth in the agricultural sector in rural areas, where fertility rates are high, at 6.1 births per woman, compared to 3.7 in urban areas. Lack of opportunity in rural areas has resulted in significant rural-to-urban migration among young people, who are moving from agriculture to urban service sectors with equally low productivity. The Population Housing Census of 2012 indicates rapid urbanisation in Tanzania. The population of the large coastal city of Dar-es-Salaam increased to 4.4 million from 2.5 million inhabitants between 2002 and 2012. Secondary cities like Arusha and Mwanza are also growing fast. The census shows that 15 million Tanzanians, or 27% of the population, live in urban areas, up from 4.5 million, or 18% of the population, in 1990.

While employment opportunities and access to quality social services are impressive in urban areas, as shown by medium human development in Arusha and Dar-es-Salaam, the rural-urban divide illustrates spatial inequality in Tanzania. Rural areas lack road networks and communications, which limits the creation of new opportunities, employment and trade. Access to quality social services is very uneven. In urban areas 85% of households have access to improved water supply, compared to 43% of households in rural areas, and 35% of urban households have access to electricity compared to just 1.3% of households in rural areas. In addition, there are huge differences in education and health, with urban areas enjoying higher net enrolment rates, higher attainment rates, lower teacher-pupil ratios, lower infant mortality and a higher ratio of nurses to population compared to rural areas. These inequalities are reinforced by inequities in resource allocation within Local Government Authorities (LGAs), which are very significant in disadvantaged areas.

Spatial inequalities are also reflected in Tanzania's 21 regions. The National Human Development Report (2014) shows high HDI rankings for the Arusha, Kilimanjaro, Dar-es-Salaam and Iringa regions, while the Tabora, Kagera, Dodoma, Singida and Kigoma regions received the lowest HDI rankings. The regions with higher human development are characterised by productive agricultural sectors, including both cash and food crops, as well as growing service and trade sectors. In Dar-es-Salaam, for instance, the main source of income is the service and trade sectors, and this region also has the largest share of income from manufacturing. The regions with the lowest human development indicators have a higher proportion of income and employment from agriculture, although this is mainly subsistence farming. The growing mining activities and service sectors in Singida have yet to make a significant impact on the regional economy and human development in that region.

Gender inequality is higher in regions with low human development in general, though significant gaps exist even in regions with higher human development, according to the HDI's Gender Inequality Index. The gap in HDI levels between males and females is strongly related to underlying inequality in command over resources. The gap in GDP per capita between females and males is largest in Manyara, followed by Tabora, Dar-es-Salaam, Rukwa and Mwanza. The



gap in per capita income between females and males is the same in Ruvuma, with relatively high HDI levels, as it is in Dodoma and Singida, which have relatively much lower levels of human development.

Recent policy initiatives indicate an increasing commitment of government to broader poverty reduction, social protection and a human development agenda. The government's Big Results Now initiative identified six priority areas: energy and natural gas, agriculture, water, education, transport and mobilisation of resources. The budget of fiscal year 2014/15 seeks to address fiscal inequities and inequalities to reduce sharp disparities in public service delivery among LGAs. Spending on infrastructure and energy was increased to address infrastructure bottlenecks and rural electrification.

Going forward, a number of policy interventions will be needed to increase spatial inclusion in Tanzania. First, transforming agriculture to accelerate poverty reduction in rural areas. This means improving productivity levels through support mechanisms for increased use of modern inputs in agricultural production, irrigation, linking farmers with markets, contract farming and investment in road infrastructure. Adaptation to climate change will require that Tanzanian farmers have access to new varieties of crops better adapted to the changing agro-climatic conditions. Second, managing urban growth to harness opportunities linked to the concentration of people and firms. Tanzania will need to develop policies and institutions to support urban growth in order to help cities deliver agglomeration economies while reducing the costs that come with rising congestion. Third, improving existing development and tourism corridors to take advantage of concentrated infrastructure development. Fourth, building competitive industry by putting in place a competitive business environment, including strategies to raise the productivity and employment of the industrial sector. This should encompass the development of appropriate skills, development of infrastructure, industrial clusters and Export Processing Zones. Fifth, promotion of non-farm rural economic activities to broaden economic opportunities and job creation in rural areas. Sixth, addressing infrastructure deficits in lagging regions. This applies both to infrastructure within these regions and to infrastructure that links lagging regions to advancing regions and to the global economy. Seventh, bringing basic services closer to the people. And finally, helping socially excluded Tanzanians access employment: vulnerable groups, women, youth, people with disabilities, people living with HIV/AIDS.

TOGO

Togo covers an area of 56 600 km² and has a population of 7 million, according to World Bank data for 2014. The country is divided into 5 regions, 35 prefectures and 387 cantons. The population density is 123 people per km². In 2012, about 1.5 million Togolese lived abroad, almost three-quarters of whom were in Africa, according to a series of studies financed by the African Development Bank (AfDB) and carried out by the scientific and technological community of the Togolese diaspora.

The country's urban areas are formed by the 35 *préfecture* capitals; rural areas occupy the rest of the country. In 2014, the population was 39% urban and 61% rural, according to the AfDB. The proportion of each region's population living in urban areas increases with proximity to the Maritime region, where the capital of Lomé is located. The Savanes region has a 5% urban population, the Kara region 8%, the Centrale region 7%, the Plateaux region 12%, and the Maritime region 68%. The urban population grew faster (4% a year) than the rural population (2% a year) between 1990 and 2014, thus increasing its share of the overall population from 28% to 39%. The country's overall population grew by an average of 3% a year during the same period, while GDP grew by 2% a year. The economy's failure to grow at the same speed as the urban population is one of the causes of emigration from Togo.

The type and quality of infrastructure and basic services at the population's disposal depend largely on where people live. Togo's road density is 20.6 km/km², but the mere 1 732 km of paved trunk roads represent less than 15% of the network, with a density of 3.1 km/km². The density of urban roads decreases the further you move away from the capital: 17.3 km/km² in the Maritime region; 1.6 km/km² in the Kara region; 1.1 km/km² in the Centrale region; 1.7 km/km² in the Plateaux region; and 1.2 km/km² in the Savanes region.

The Maritime region provides 98% of tax revenue (97% of which is from the city of Lomé), while the other regions provide only 2%, despite occupying 89% of the territory and home to 57% of the population. Electricity consumption by region reflects the differences between rural and urban lifestyles and the distance to the sea and industrial areas. The three northernmost regions are the most rural regions and are furthest away from the Atlantic Ocean. Some 36% of the population live in the three regions, but they consume only 9% of the country's electricity. The results of the 2011 QUIBB survey (Questionnaire on Basic Indicators of Well-Being) show that 78.9% of poor people in Togo live in rural areas. Among the rural population, 73.4% live below the poverty line (compared with 28.5% for Lomé and 44.7% for other urban areas).

Lack of access to education is a bigger problem in the north than in the centre and south of the country. Net enrolment rate maps show that the prefectures with the lowest rates are in the Savanes, Kara, Centrale and Plateaux regions.

Health care is concentrated in the Maritime region, where 82% of doctors and 48% of nurses are based (77% and 31% respectively in Lomé). According to World Bank data, the share of the rural population with access to improved sanitation facilities fell from 7.9% to 2.5% between 1990 and 2012, while the share of the urban population with access to such facilities fell from 26.3% to 25.5% during the same period. Meanwhile, the share of the rural population with access to an improved water source increased from 36.2% to 40.3%, while the share of the urban population with this access increased from 78.8% to 91.4%.

The strong population concentration in Lomé and the surrounding area puts pressure on the land and leads to unsanitary conditions. Rubbish dumps are proliferating; the volume of solid waste is estimated at 280 000 tonnes a year in Lomé, but the waste treatment capacity is



unknown. Bags, especially non-biodegradable ones, liquid waste, cars and motorcycle taxis are also sources of environmental degradation.

Double sale of land has become commonplace in the capital. This practice, along with conflicts related to the delineation of title, leads to many land-related lawsuits, as evidenced by the signs that have sprung up at houses across Lomé saying “disputed land, sale prohibited”. In the January 2014 edition of its monthly bulletin *Reflets du Palais*, the Lomé Court of Appeal stressed that property transactions generate litigation cases that clog up the courts. Around 80% of litigation cases brought before the Togolese courts are land-related.

The 2009 national land-use policy (*Politique nationale d'aménagement du territoire*) and the 2012 grassroots development policy (*Politique de développement à la base*) take spatial aspects into account. Pillar 5 of the 2013-17 SCAPE accelerated growth and employment strategy (*Stratégie de croissance accélérée et de promotion de l'emploi*) is entitled “Promoting Participatory, Sustainable, Balanced Development” and aims to reduce regional differences and generate emerging local dynamics. Four government departments are directly concerned by the implementation of these policies and strategies, but their roles are unclear and their functions overlap.

Under law no. 2007-011 of 13 March 2007, the country is decentralised into regional units, each with its own legal personality and financial autonomy. Political and institutional problems are delaying legislation to devolve powers from central to local government. Togo remains the only WAEMU country not to have decentralised government. The 2013 assessment report on implementation of the 2013-17 SCAPE strategy states that no indicators were selected to monitor progress in strengthening local governance. Administrative and financial decentralisation under the 2007 law will be a major political issue during the 2015-20 period. Implementing the law will be essential if the country is to tackle its spatial inclusion challenges.



TUNISIA

Regional disparities are still one of the country's biggest problems and were behind the unrest that led to the 2011 Revolution. Tunisia is administratively and politically centralised but also economically polarised and faces ever sharper economic and social inequality, despite past achievements and progress made since independence. Economic activity is concentrated along the coast and in urban areas. The gap between the big coastal cities and the smaller towns of the interior has grown, as has, to a lesser extent, the gap between rural and urban areas. Northwestern, western and southern areas have seen little growth. This was a key issue of the Revolution and still dominates the political agenda and political speeches. A successful economic transition partly depends on the new government's approach and the issue of land use seems more important than ever.

The unrest that led to the 2011 popular uprising started in the poor regions of the country, even before the protests hit the headlines in late-2010, as seen in the riots in the mining region in 2008. This unrest did not spread to the rest of the country until the last days of the Revolution (10-14 January 2011). Social tensions are still strongest in these parts of the interior. The gap between the country's regions was fairly well reflected in the turnout and choices of voters at the autumn 2014 elections, showing the continued sharp disparities.

Regional imbalances show up first in social problems. Few regional statistics are yet available but some figures are significant. The last consumption survey by the National Institute of Statistics (INS) showed poverty had fallen to 15.5% of the population in 2010 (from 23.3% in 2005 and 32.4% in 2000), but did not benefit western regions, where the gap with the rest of the country widened. Inequality declined to a certain extent nationally, with the Gini coefficient falling from 37.5 in 2000 to 35.8 in 2010, but only because disparities within each region fell (from an average of 21.1 in 2000 to 17.6 in 2010). Inequality between regions, however, increased (from 16.4 in 2000 to 18.2 in 2010). Most basic public services (especially health care and education) are accessible in all regions, but regional disparities in quality are substantial, mostly due to uneven distribution of skills across the country. Illiteracy in the centre-west and north-west is about 30%, well above the 19% national average, while coastal regions are below this average.

Life expectancy in 2009 was 74.5 years nationwide, but only 70 in Kasserine and Tataouine, versus 77 in the governorates of Tunis and Sfax. Gender inequality is also greater in poorer regions, which are sometimes called "shadow zones." Interior regions are less populated and have negative net migration.

The country's 24 governorates make different contributions to national GDP and have different social and economic potential. The interior regions contribute little compared to the coastal regions (80% of GDP in 2010). The country is export-oriented so coastal regions have a comparative advantage and 90% of business is concentrated there. Per capita private investment in the Monastir governorate between 1992 and 2010 was TND 8 189, but only TND 2 613 in the Gafsa region. The interior regions, with little industry, poor communications and serious economic problems, are not very attractive. The Tataouine governorate, in the south, had 51.7% unemployment in 2012 – three times the 17.6% national average – and these gaps are even wider among university graduates. People in poor regions thus turn increasingly to sometimes illegal informal activity to survive, especially near the Algerian and Libyan borders.

The divide between the coast and the interior is longstanding and was first highlighted in the 1961 publication *Perspectives décennales de développement*, the country's first economic and social planning survey. Until the end of the 1980s, regional policy focused on redistributing resources and economic activity among the regions. As well as government investment and state involvement



in schools, hospitals and other public services, industrial centres were created by implanting state firms (such as the Béja sugar refinery) and giving incentives to the private sector, such as the industrial promotion and decentralisation fund (Foprodi). Government strategy from the 1990s focused more on boosting regional economies through strengthening the private sector, but this did little to reduce the growing disparity, and the trickle-down effect was small.

The transition governments since the Revolution have also announced, and sometimes introduced, measures to encourage local and regional development, with investment incentives in the interior and rural areas, urgent steps to help jobless qualified youngsters and support for micro-enterprises. The results have fallen short of expectations for lack of a long-term overall land-use policy. A regional development ministry was provisionally set up. Failure is perhaps due to institutional rigidity, the central government's monopoly of funding and decisions, and the lack of a long-term overall strategy taking into account the situation and diversity of the territories.

Decentralisation (which is written into the new national constitution), the strengthening of regions, the development of PPPs and the role of civil society have also been stressed and are key responses to the problem of regional disparities. They remain to be implemented.



UGANDA

Development in Uganda has continuously been skewed towards the central and western regions, while the rest of the country lags behind. In terms of poverty reduction trends, impressive performance is still noticeable in the central region that reduced poverty by 90% between 1992 and 2013, followed by the western region at 84%, and the eastern and northern regions at 58% and 39%, respectively (Uganda Bureau of Statistics and National Household Surveys). A similar performance trend is also evident in indicators of education and health.

Among the key development challenges faced by the country is rapid population growth. The population currently estimated at 34.9 million, and constituting about 75% below 30 years, is expected to rise to 47 million in ten years, and more than 60 million by 2040.¹ This raises concerns about absorbing the burgeoning youth population in the labour market and expanding social services. However, population growth could be an asset if the demographic dividend is harnessed through the right investments. Under the Uganda National Development Plan (NDPII), currently being formulated, the government seeks to fast-track investment in key growth areas of agriculture, tourism, mineral development, while accelerating infrastructure and human capital development, which will in part ensure that the economy can absorb the workforce and harness the dividend.

Uganda is increasingly urbanising. This is partly attributed to the creation of new districts. Since 1991, the number of districts has grown from 34 to 112 in 2014 (Ugandan Bureau of Statistics), and the country currently has 197 urban centres,² up from 75 in 2002. The majority of the urbanisation is located in the central region, which hosts 27.5% of the population, has 6 out of 20 of the largest urban centres in the country, and accounts for 61% of the urban population. About 42% of the population in the ten most urbanised locations are also in the city, in the central region, which grew from 1.2 million in 2002 to 1.5 million in 2014.

Socio-economic infrastructure investments, which are concentrated in larger towns, significantly contribute to regional disparities. Strong road networks, good access to markets, and health and educational facilities of the central region enhance its development, and are further leveraged by a vibrant middle class that commands strong influence and leadership, solid representation in parliament and a dynamic political environment. These factors attract larger resource allocations and place the region in an advantageous position to drive development.

The rural areas, predominantly agricultural, ensure food provision for the country and are important for Uganda's development. However, food insecurity remains a concern for districts susceptible to climatic shocks, especially with the country's fast-growing population, continued subsistence production, and the strain on land resources for settlement. While agriculture is central to the country's development agenda, its absorption of youth is low. The youth are increasingly shunning rural areas to access better services and to search for livelihoods in urban areas, leaving the agriculture sector to the elderly.

While raw materials are sourced from rural areas for urban enterprises that rely on agriculture, the growth of rural centres remains marginal and limits their contribution to development. Poor infrastructure, limited market access and weak private sector linkages characterise these areas. The government's plan to fast-track infrastructure development will enhance connectivity and enable underserved locations to hasten growth. The government has enhanced access to energy through rural electrification, which has connected about 1 280 communities to the grid (Government of Uganda, *Poverty Status Report 2014*). This is expected to boost value addition and overall economic activity.



Population growth and economic growth have been accompanied by increasing competition for resources both in rural and urban locations, spurring new conflicts rooted in the struggle for access to land. In the northern region, the war resulted in broken social cohesion and lost memory of land demarcations, and recovery is hindered by protracted conflicts on boundary demarcation and capture by wealthier individuals.³ According to a 2012 study on land grabbing by the National Association of Professional Environmentalists, the heightened demand for investments across the country and the government's attempt to facilitate foreign direct investment through land allocation to investors have brought threats of community evictions, evoked an uneasy sentiment among the communities and triggered conflict. In the western region, the discovery of oil resulted in community resentment and conflict over evictions, issues of compensation, and illicit land purchases. In the city, attempts by authorities to guide settlement patterns, restore order and prevent encroachment on land reserved for public investments have created struggles, and the increased cost of land is only expected to exacerbate them. Government efforts to mitigate conflicts include the National Land Act, which proposes certification of land rights under law to ensure security of land ownership. In the oil region, however, land valuations and ownership verification have been disputed by the communities and regarded as unfair.

Notes

1. Government of Uganda, Vision 2040.
2. There are significant differences in the classification of urban centres between the 1991 census and the proceeding censuses, which make compatibility of the 1990s and the 2000s difficult.
3. Rugadya, M.A, E. Nsamba-Gayiiya and H. Kamusiime, 2008. Analysis of post conflict land policy and land administration: a survey of IDP return and resettlement issues and lesson: Acholi and Lango regions Report prepared for the World Bank, to input into Northern Uganda Peace, Recovery and Development Plan (PRDP) and the Draft National Land Policy.



ZAMBIA

The main development activities in Zambia have tended to follow the historic rail lines. Essentially developments are from Livingstone in the south to Lusaka and Copperbelt further north. Similarly, the North-South Corridor from Chirundu towards Zimbabwe, through Lusaka and up to Nakonde towards Tanzania, has attracted investment attention.

Most of these areas are characterised by good agriculture opportunities with access to water and arable land, while the Copperbelt is the historic mining area. Mining activities have extended further northwest to Solwezi and Lumwana, the two new mining towns in Zambia. These towns have seen fast growth and new opportunities for local populations.

Like the Copperbelt in the pre-independence era, Lumwana has been transformed from a predominantly rural setting to a modern town equipped with state of the art facilities. This has happened in less than a decade. The establishment of a new mine has created more than 4 000 jobs within the mine itself, while indirectly supporting more than double this amount in new jobs from the surrounding environs. Small and large local businesses have been established to service the mine and the people moving to the area. The synergy effects are estimated to be non-trivial, led by a single large private investment in the mine.

Although agriculture is becoming less prominent compared to the rest of the economy it is still important for the livelihoods for the majority of people in Zambia. Commercial agriculture has gained momentum in the central province, which lies along the north south corridor with easy access to markets in Tanzania, DR Congo and to the south towards Zimbabwe. On the Eastern front particularly tobacco farming has expanded with easy access to the coast through the Nacala corridor.

The government's various rural support programmes have undoubtedly helped retain people in rural areas. According to the Living Conditions Monitoring Survey (2012), migration from rural to urban areas has remained constant between 2006 and 2010 with only 15% of migrants moving in that direction of which 18.3% migrating in search of work or to start a business and 11.4% for school.

Unlike some of its neighbouring countries, Zambia has avoided extended internal conflicts. Most conflicts have been short-lived, mainly related to elections. These have often been resolved through the court system and accepted by the majority of the population. As described in the 2009 Strategic Conflict Assessment of Zambia (Institute of Security Studies Africa), ethnic membership plays a role in voter alignment and party affiliation. However, ethnic violence has been relatively limited and most displeasure has been expressed in non-violent ways.

Successive governments have prioritised inter connectivity throughout the country, focusing on providing good road networks in all provincial and district capitals. In this process the importance of basic infrastructure such as schools, health facilities and other social amenities, has been prioritised. Even mobile health units are available in remote areas of the country. The aim has been to offer basic service provisions to districts, and to attract and retain people in the smaller urban communities in order to reduce migration to Lusaka and the Copperbelt, the most affluent regions of the country.

Despite access to improved amenities outside of Lusaka and the Copperbelt, in-migration is strong. The Living Conditions and Monitoring Survey shows that inter-urban migration is the most important with 37% of migrants moving between urban areas. For example, 17.9% of Zambia's 15.5 million inhabitants currently live in Lusaka Province. This is up from 14.1% in 2000 and short of the 19.5% (about 4 million) that are expected to live there by 2025. With the exception of Northern and Muchinga provinces along the North-South Corridor, all other provinces are



projected to become relatively smaller as migration will tend to move towards the capital city. Good urban utilities and transport planning is therefore needed to reduce urban congestion in the future.

The Multi-facility Economic Zones (MFEZ) were established as part of the country's industrial policy. However, when established there were other considerations as well. For example, the MFEZs in Lusaka have been strategically placed in the Eastern and the Southern parts of the city to mitigate against urban congestion in the central industrial areas as the city grows. MFEZs have also been established in other parts of the country in order to spread development.

Recently the Citizens Economic Empowerment Commission has been promoting value addition in selected agriculture value chains based on provincial and district comparative advantage. The support comprises subsidised loans administered through commercial banks, business development services, and support with infrastructure needs in order to kick start small and medium-sized businesses in each district. The idea is to facilitate local businesses in rural and semi-urban areas thereby creating economic opportunities for communities. The programme is still in its infancy so the impact it will have on spatial inclusion is yet to be seen.

Although there are no specific policies for promoting spatial inclusion for the country as a whole, most policies discuss and analyse the rural-urban divide. There is a high degree of awareness of the issues affecting rural areas and the differences in poverty levels between regions. Sector policies will therefore have specific sections or interventions that address issues related to the rural dimension, although not always clearly articulated.

The revised Sixth National Development Plan 2013-2016 (RSNDP) focuses on the development of rural and regional areas as one of its priorities and the need for accelerated development. However, the articulation of rural and regional development overlaps with an investment programme for the provinces.

The RSNDP aims at reducing the proportion of people living in abject poverty in rural areas, and to make rural areas attractive places to live and work. The strategic focus is to provide key infrastructure for increased employment opportunities. The plan provides detailed projects and programmes oriented towards various infrastructure needs including schools, health posts, rural roads, water supply, and livestock breeding centres.

Through the Education Sector National Implementation Framework, the government has sought to enhance rural development through sector strategies. The analytical section identifies the rural-urban mismatch in teacher deployment and utilisation as well as materials and supplies. To correct the mismatch, the framework suggests improving equity at basic school level and to train, recruit and deploy an adequate numbers of teachers.

ZIMBABWE

At independence the government inherited an economy that had been developed to promote minority white interests and supremacy at the expense of the black majority. This resulted in the creation of a dual and enclave economic structure whereby a small and modern formal sector coexisted with a large and traditional non-formal economy. The formal sector was white-dominated and relatively capital intensive, while the non-formal economy was largely a peasant sector.

The government has adopted a number of development plans to address regional inequalities and promote spatial inclusion since independence in 1980. These policies have, however, not succeeded in dealing with the dual and enclave nature of the economy whereby a shrinking formal economy co-exists alongside a booming non-formal economy. This has been exacerbated by deindustrialisation. In fact, the dualism and enclavity has become entrenched, as most of the policy propositions are aimed at the formal economy. While progress has been made in reducing inter-racial inequalities, the inherited inequalities between and within the urban and the rural areas and between administrative districts continue to exist. Regional inequalities have persisted and the anticipated spatial integration of the economy has not fully materialised.

One interesting initiative is that of growth points, which was first introduced before independence in 1978. Since independence, successive governments have continued to implement the initiative. Growth points can generally be defined as rural or urban settlements which central and local governments consider as having potential for development and hence requiring support by further public and private sector investment. The initiative has seen 55 rural districts granted growth point status. However, these growth points have not met stated objectives since serious development challenges are still evident in most rural districts. One reason advanced for this failure has to do with the process of identifying growth points, which has somehow deviated from the set economic criteria.

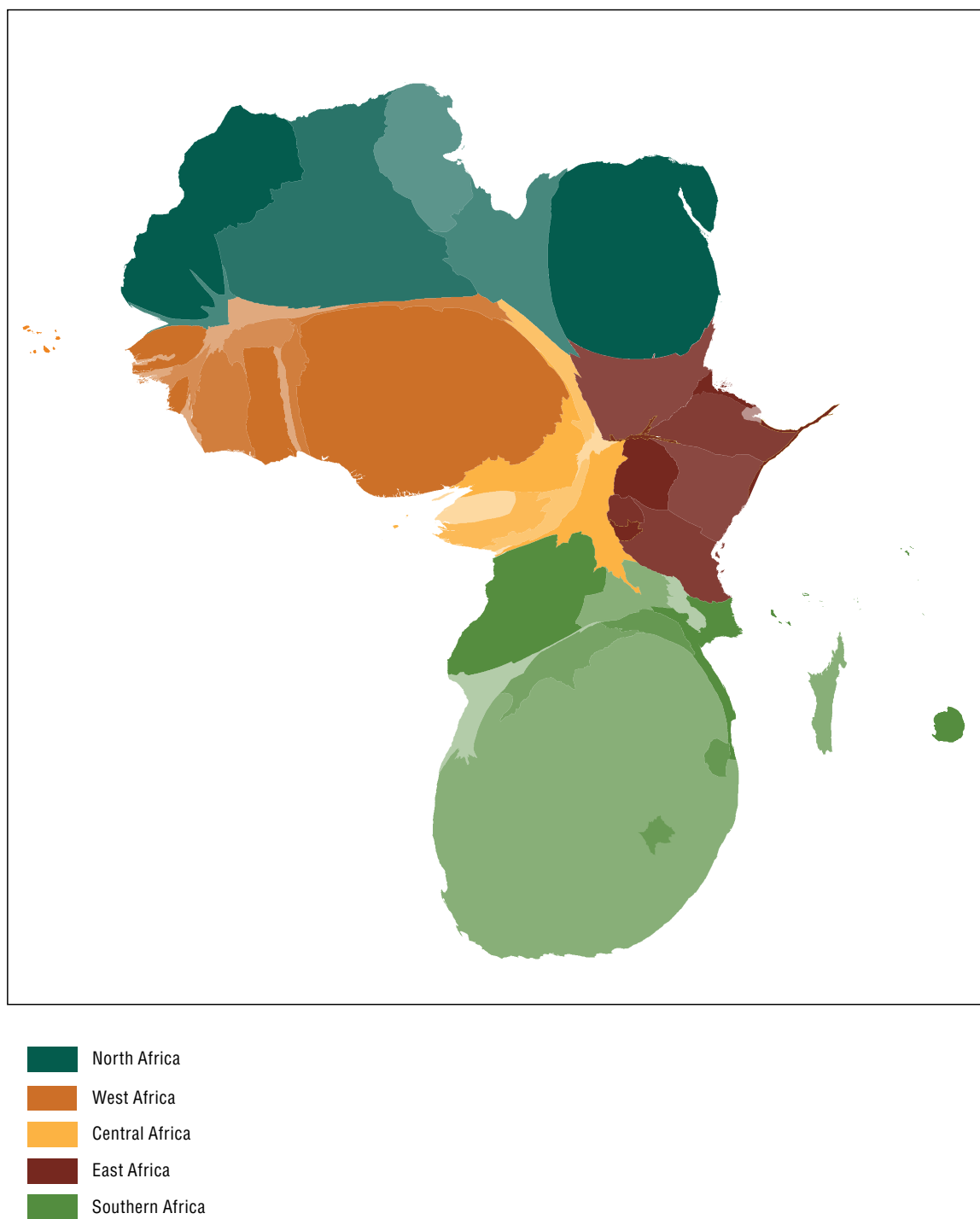
At a regional level, in 2001 a Memorandum of Understanding (MoU) was signed between Limpopo and the Matabeleland South and North provinces, creating the Trans-Limpopo Spatial Development Initiative (SDI). It seeks to create an economic development corridor from Limpopo to Victoria Falls, with a radius of 50 kilometres. A number of projects in infrastructure, agriculture, mining, energy development and tourism have been identified within the area of the Trans-Limpopo corridor. Once the corridor is fully operational the potential benefits include a one-stop border post in Beitbridge, the development of food processing industries and coal methane gas mining in Lupane, the refurbishment of the Joshua Mqabuko Nkomo and Victoria Falls international airports, as well as the Matabeleland Zambezi Water Project. However, many of the projects have not yet been implemented. Challenges facing Bulawayo, once the industrial hub of the country, could be addressed if projects under the SDI were fully implemented.

The new constitution stipulates that “not less than 5% of the national revenues raised in any financial year must be allocated to the provinces and local authorities as their share in that year.” However, the necessary legislation and regulations to enforce this are not yet in place. Some of the reasons for the failure of spatial inclusion include the lack of effective participation by key stakeholders and the lack of independent institutions to correct market failures, promote innovation, and reward risk taking.

The government should prioritise strengthening institutions engaged in social dialogue and promoting entrepreneurship. It should also encourage developing skills and vocational training, with specific measures to empower and support women, youths and SMEs and provide access to affordable credit. Lastly, the government should promote rural development and help SMEs participate in Global Value Chains (GVCs).



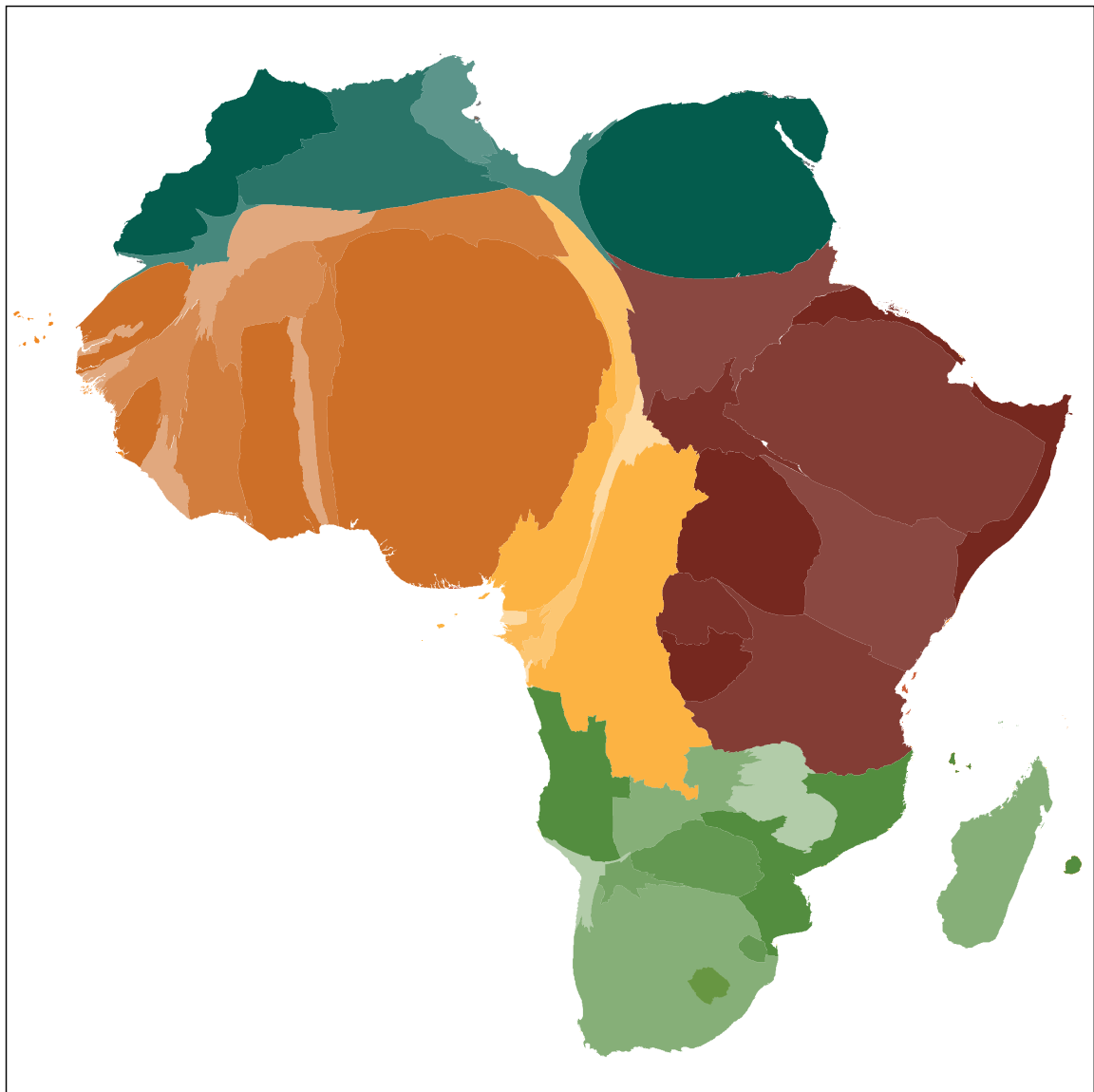
Map 1. African countries weighted by gross domestic product (average 2009-13)



Source: Losch (2013); World Bank (2014); CIRAD Cartography Unit.



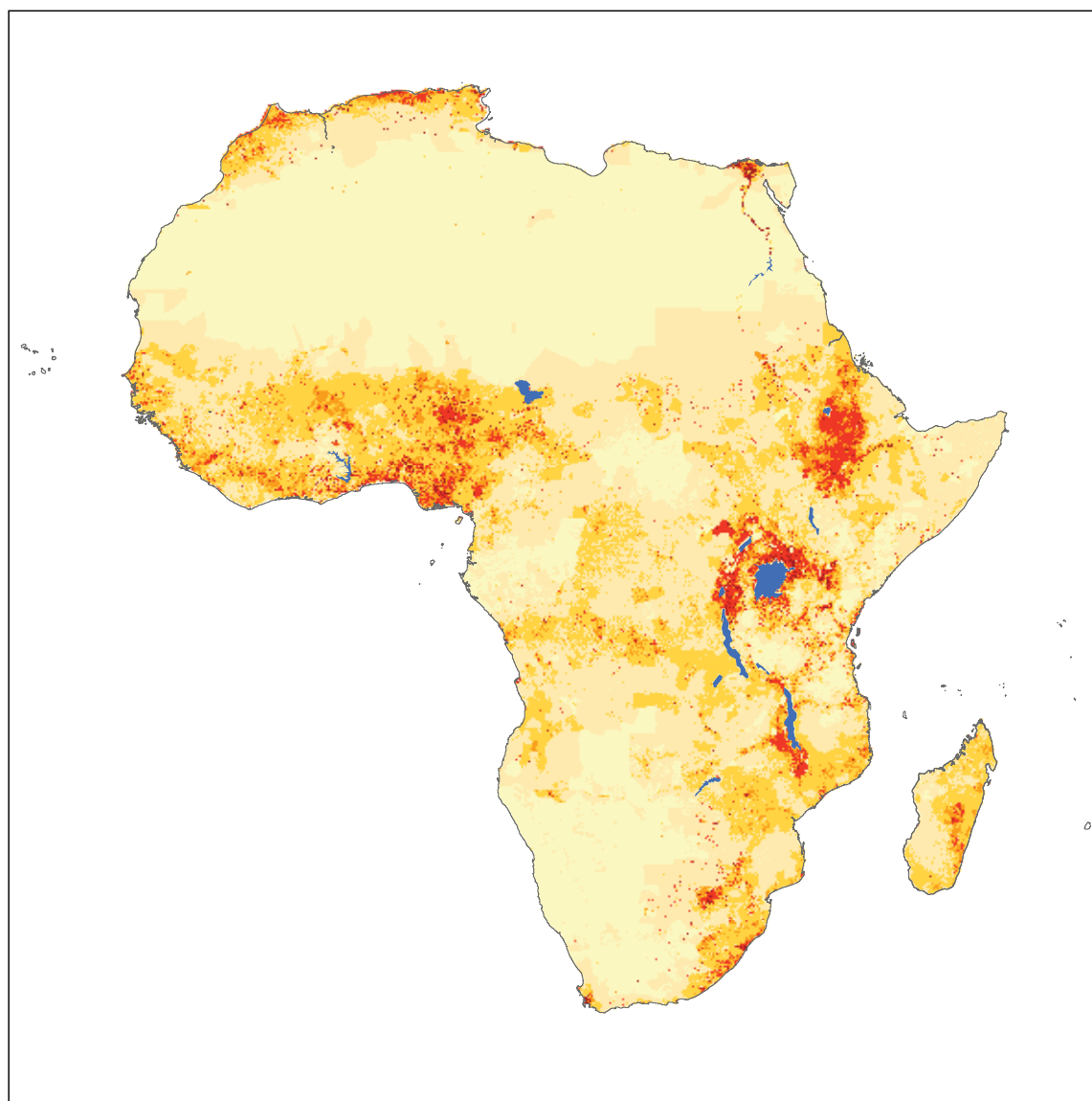
Map 2. African countries weighted by population, 2010



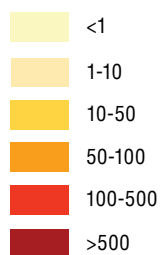
- North Africa
- West Africa
- Central Africa
- East Africa
- Southern Africa

Source: Losch (2013); UNDESA (2012). CIRAD Cartography Unit.

Map 3. Population density in Africa, 2010



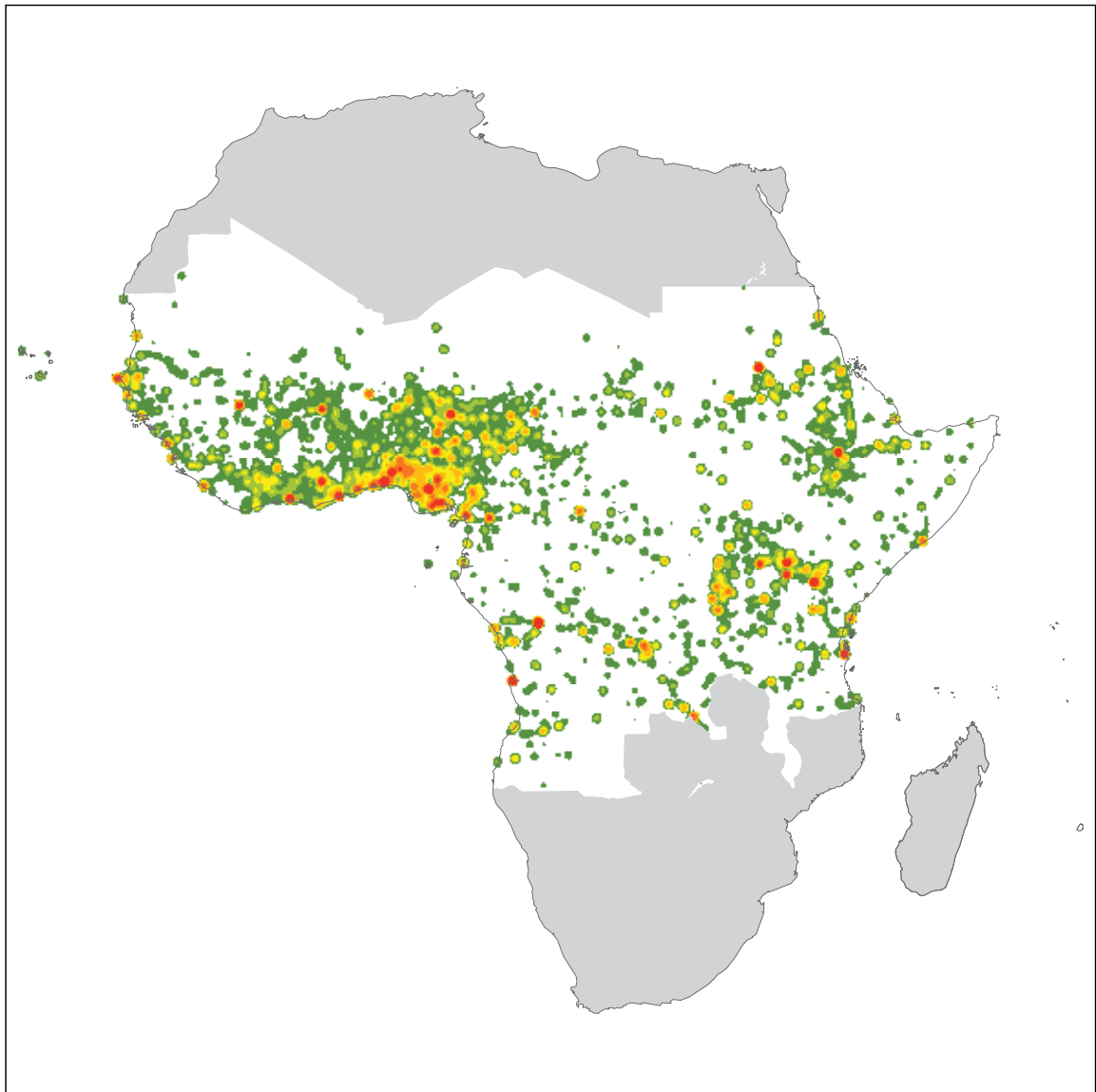
No. people/km²



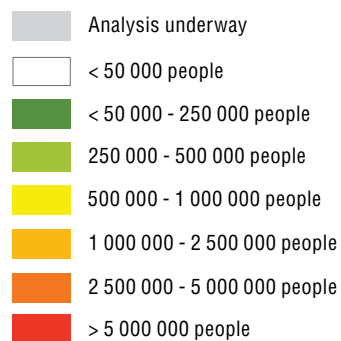
Source: WorldPop (2015); Losch, Magrin and Imbernon (2013).



Map 4. Urban population centres in Africa, 2010

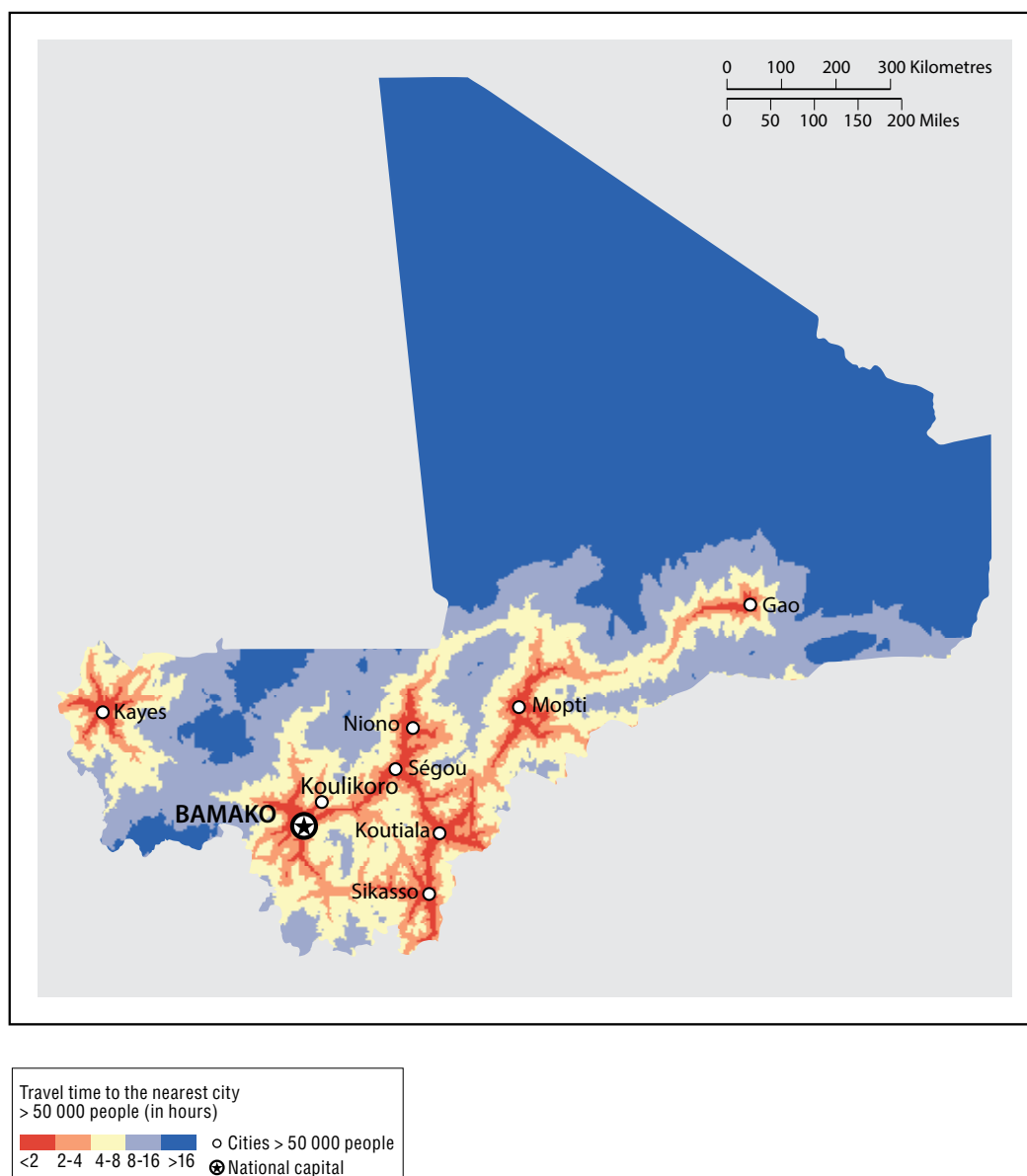


Size of towns within a 50 km radius



Source: E-geopolis (2012); Losch, Magrin and Imbernon (2013).

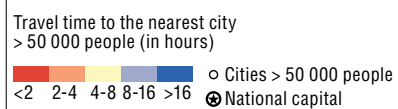
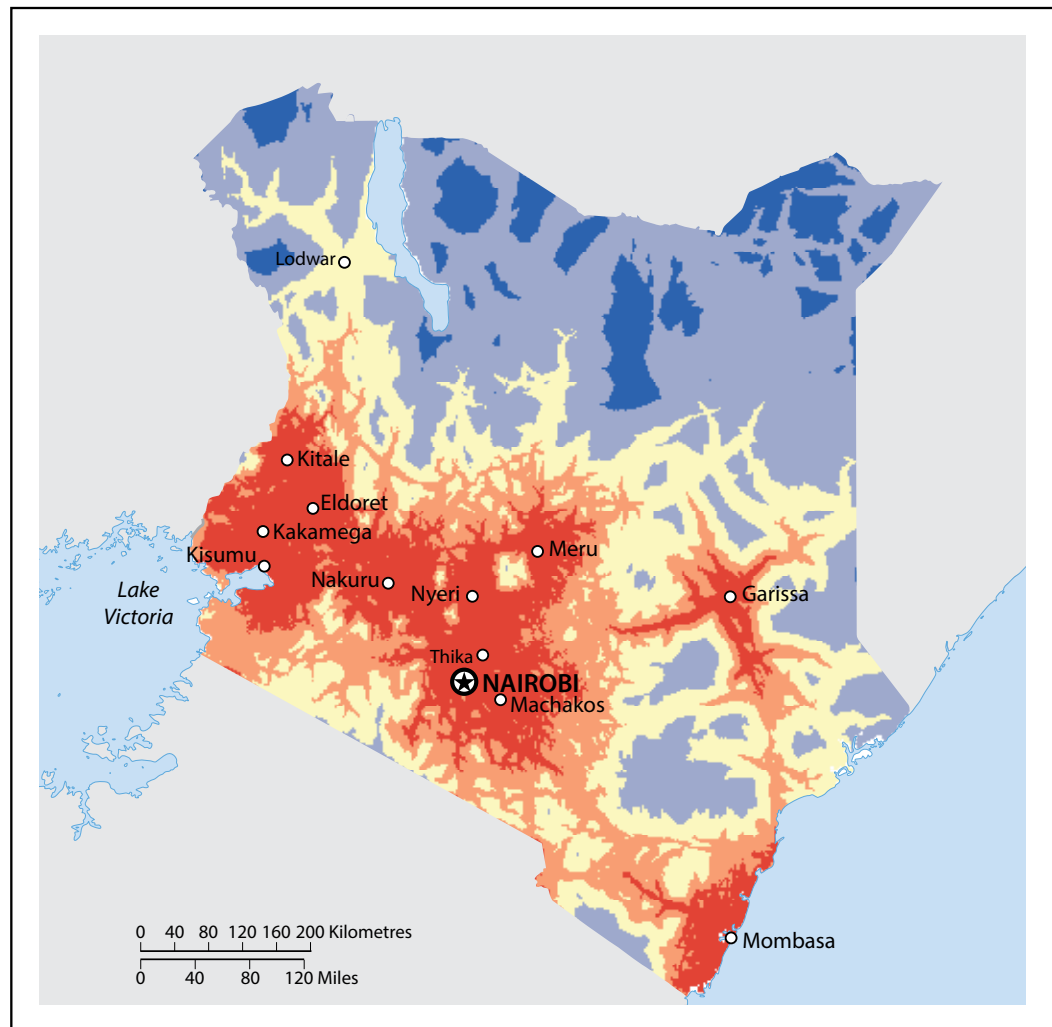
Map 5. Accessibility to cities of more than 50 000 people in Mali



Source: Losch, Fréguin-Gresh and White (2012).



Map 6. Accessibility to cities of more than 50 000 people in Kenya



Source: Losch, Fréguin-Gresh and White (2012).

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