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# Unleashing the power of urbanisation for Uganda's new cities

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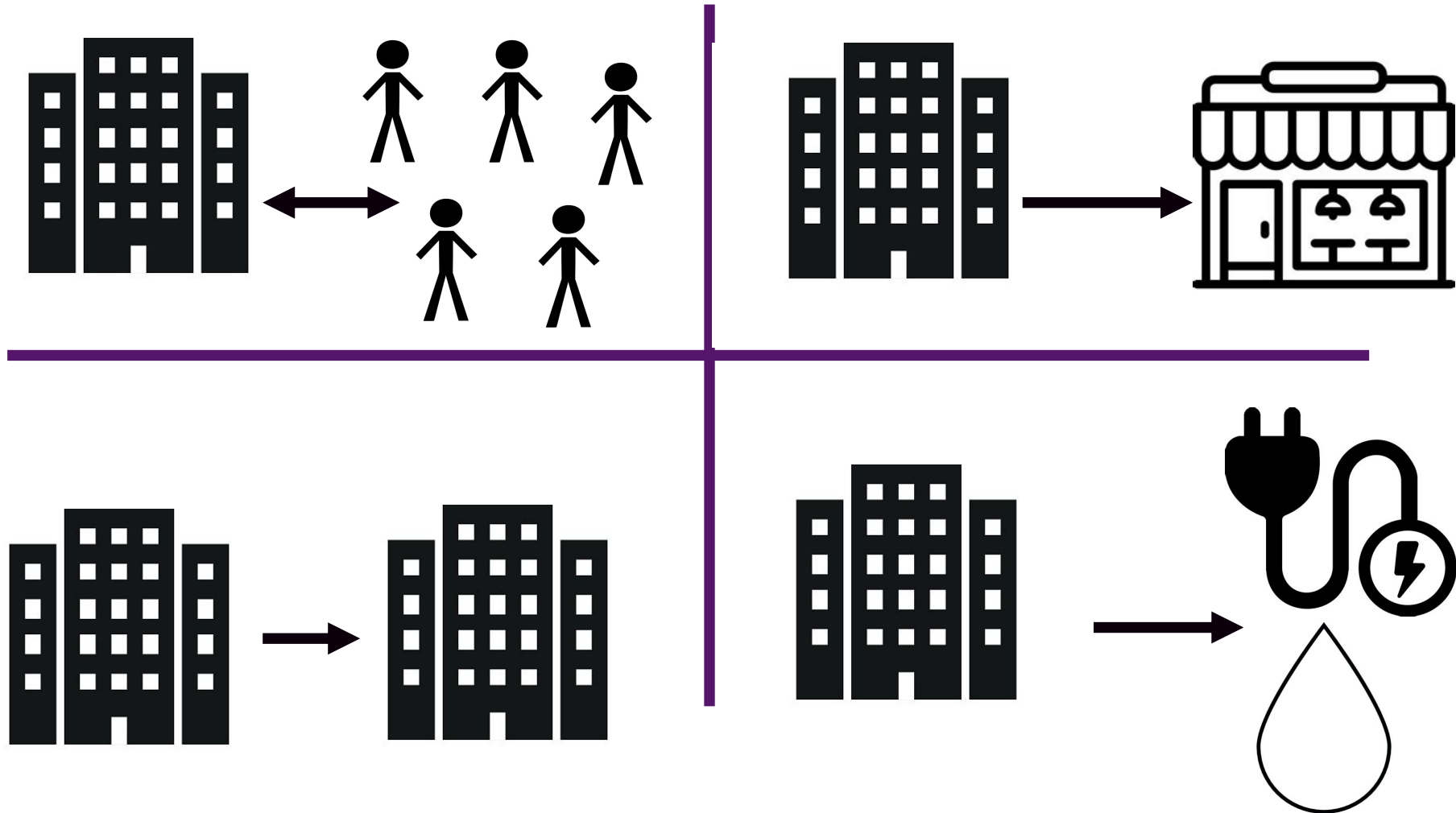
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# Cities: Uganda's major opportunity for growth

For all humankind people have been flocking to cities for opportunities...



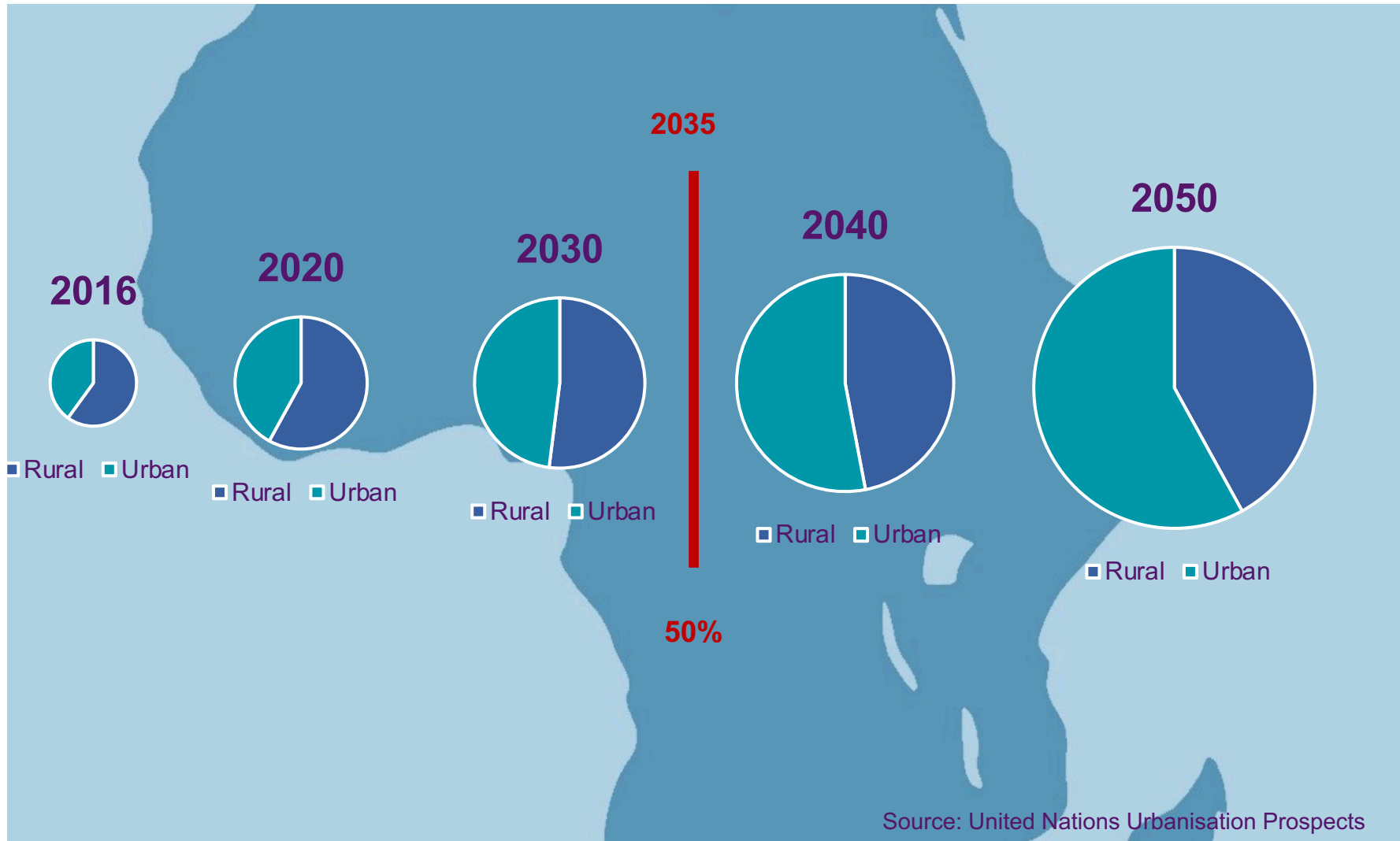
...as well as being the preferred location for firms...



...which makes urbanisation an engine for economic growth...



...which is a major opportunity for Africa as the fastest urbanising continent with an estimated 2/3rds of our cities are yet to be built.



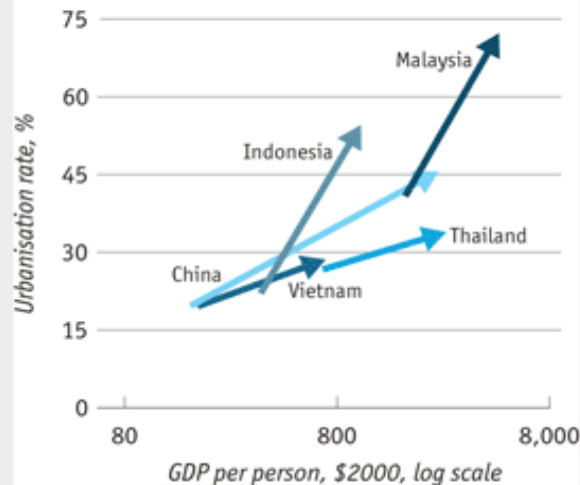
**BUT not just any urbanisation**

# Only well-managed urbanisation leads to growth, which we are struggling with across Africa ...

## Urbanisation and income

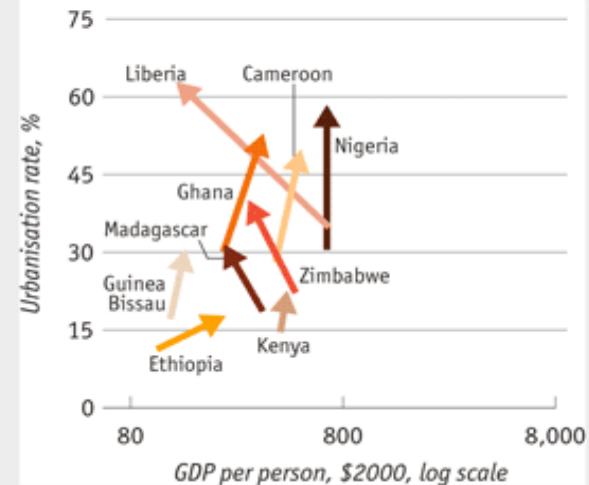
Change between 1985 and 2010

### East Asia and Pacific

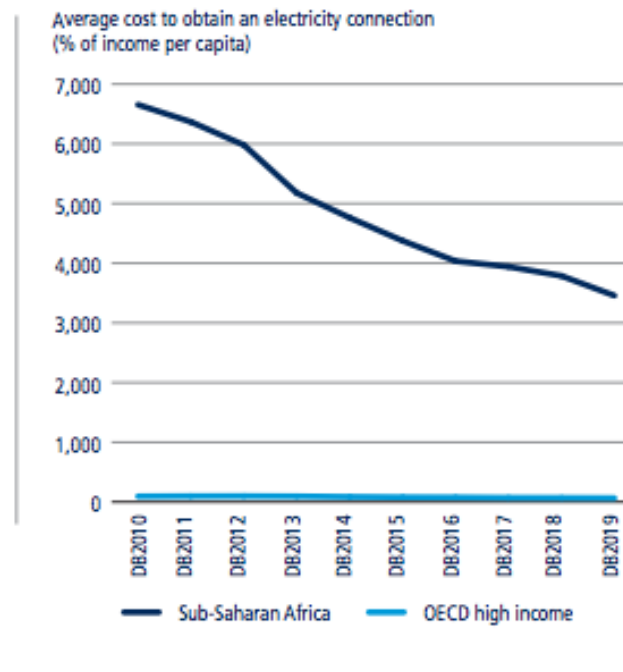
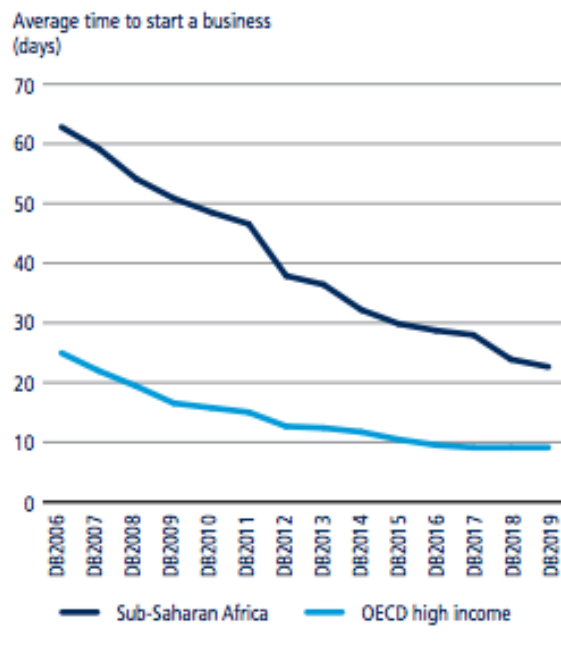


Source: World Bank

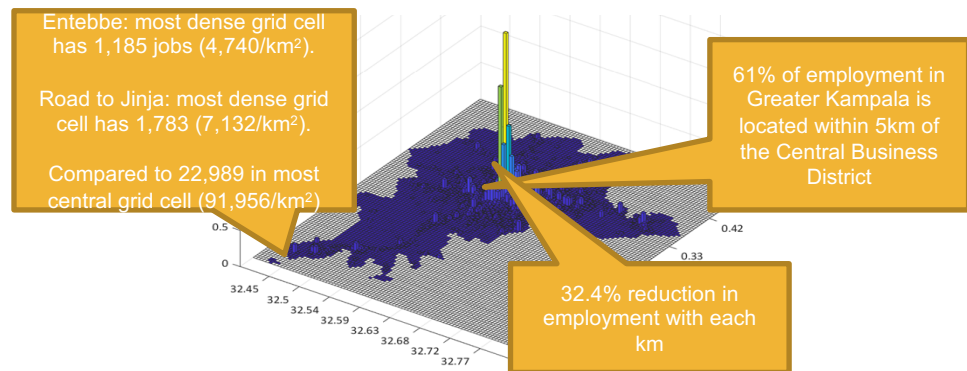
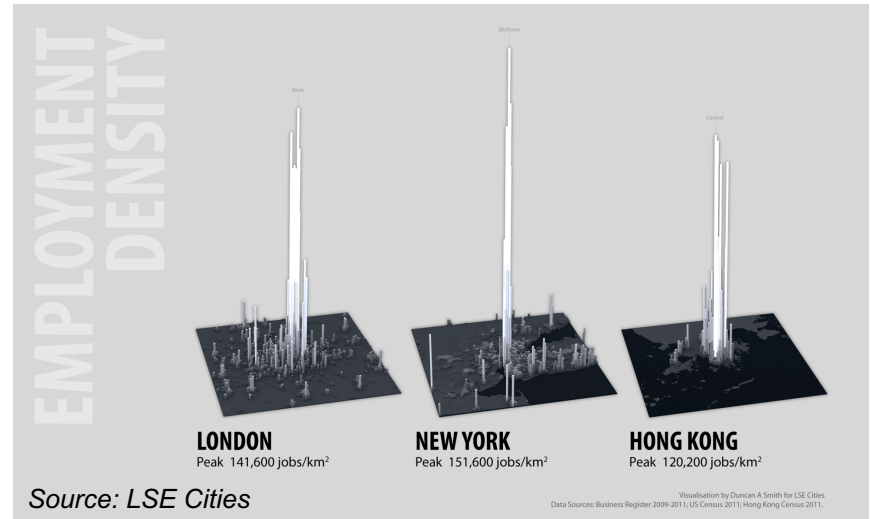
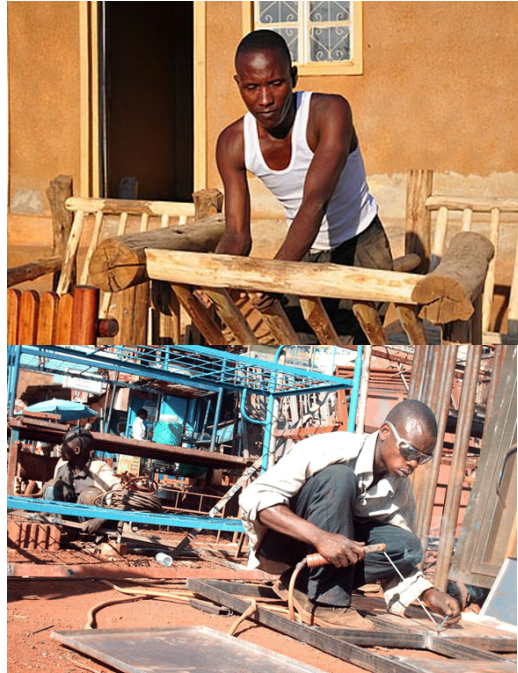
### Sub-Saharan Africa



...as many of our poorly managed cities do not support a sufficient investment climate...



...resulting in the absence of firms and employment opportunities for a rapidly growing labour force...



# ...pushing urban dwellers into informality and affecting their livelihoods and overall firm productivity...



Of 2243 informal firms surveyed in the Greater Kampala area in 2016...

**93%**

are operating below  
the poverty line

**70%**

of those with one  
employee are owned  
by women

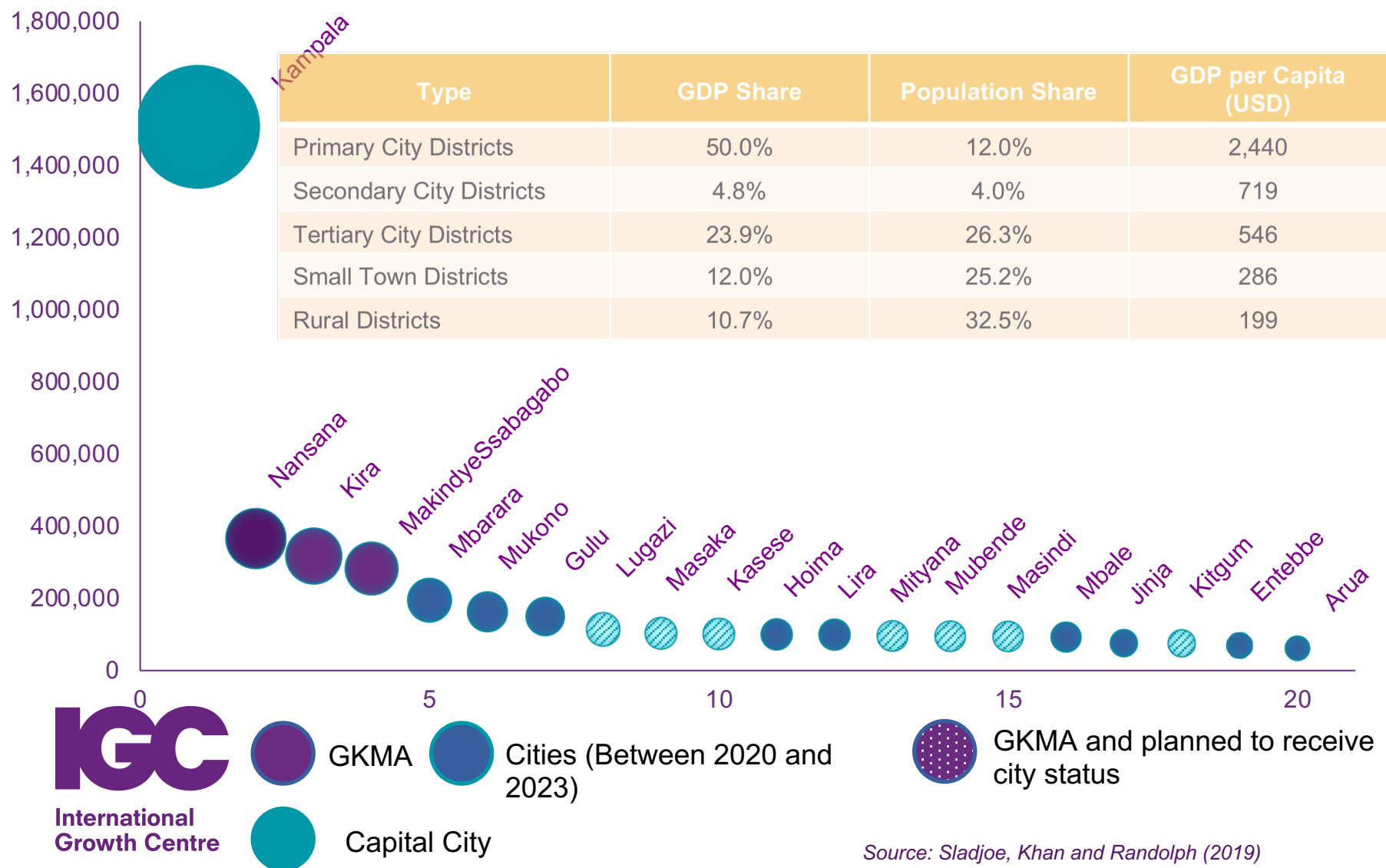
**42.9%**

of their business  
owners are 18 to 29  
years old

**24%**

were started due to a  
lack of alternative  
employment

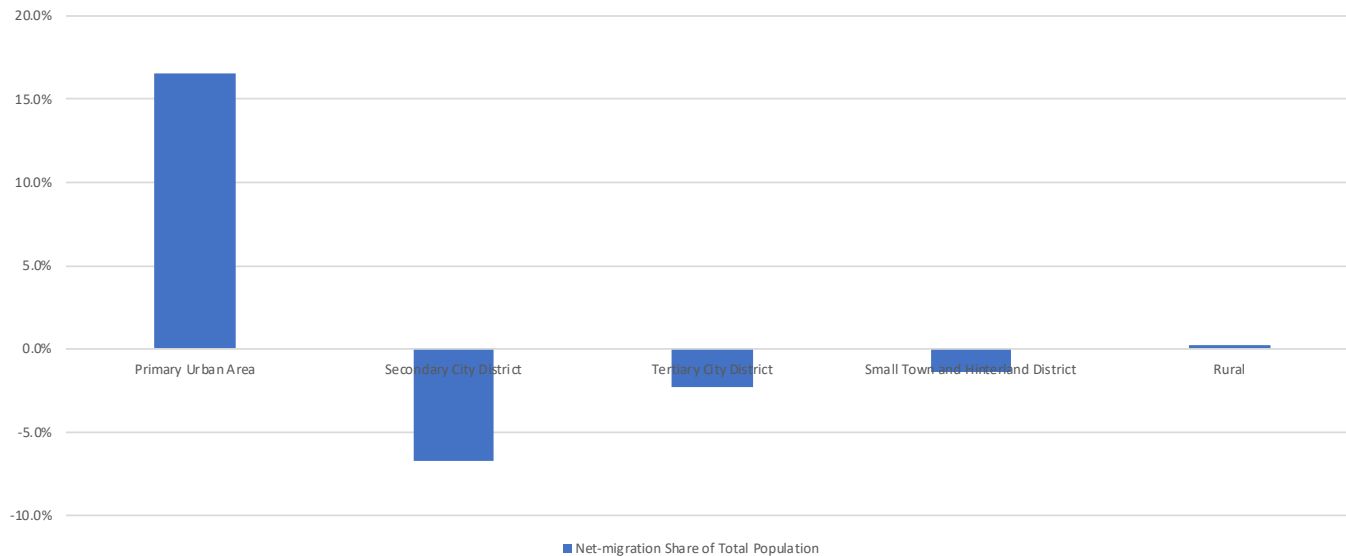
...and the few formal economic opportunities that do exist, are predominantly in Kampala...



Source: Sladjoe, Khan and Randolph (2019)

# ...pushing more people to move there...

## Net migration to/from Uganda's New Cities and Municipalities



Source: National Population and Housing Census 2014

Source: Sladoje et al 2019

...yet the cost of urban primacy is high and the potential of intermediary cities are not being met...



**...which is why it is a foresightful and welcome development that new cities have just been declared.**



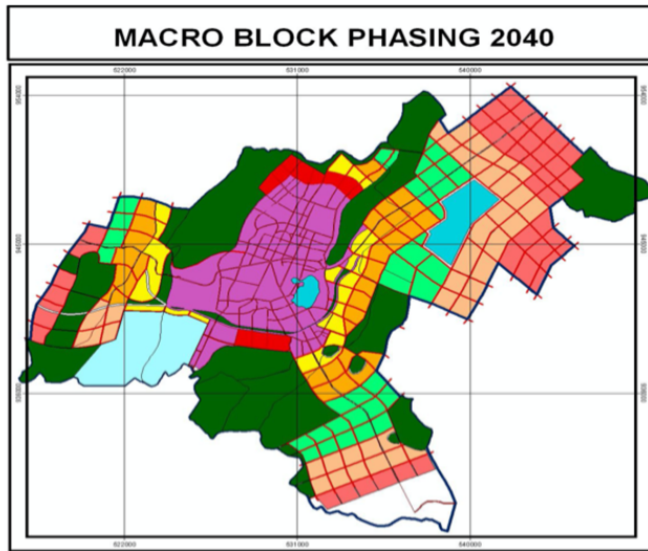
 New Cities



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**NOW is the time to act**

**To get these cities right from the outset before settlement happens, planning has to happen ahead of development...**



Source: NYU Marron Institute (2021)



Source: Delbridge, Harman et al (forthcoming)

# ...considerations made for the appropriate governance structures to improve decision-making at local levels...

- Do current urban governance/decision making structures of cities need to change given their new status?
- What mandates should be devolved to city governments? What will city governments be able to do that they cannot do now?
- What will their changed status mean for other local governments not designated as cities?
- Should all cities have the same structure?
- Will there be any changes in terms of national oversight of city governments?
- Will financial allocations/sources of revenue change as a result of city designation?
- How should new cities best coordinate with neighbouring local governments in planning for urban expansion beyond their existing boundaries i.e., *metropolitan* planning?
- Given that all of these new cities are attaining city status together, how can they best coordinate, plan and learn from each other?

...as well as encouraging a supportive environment for raising funding and financing....

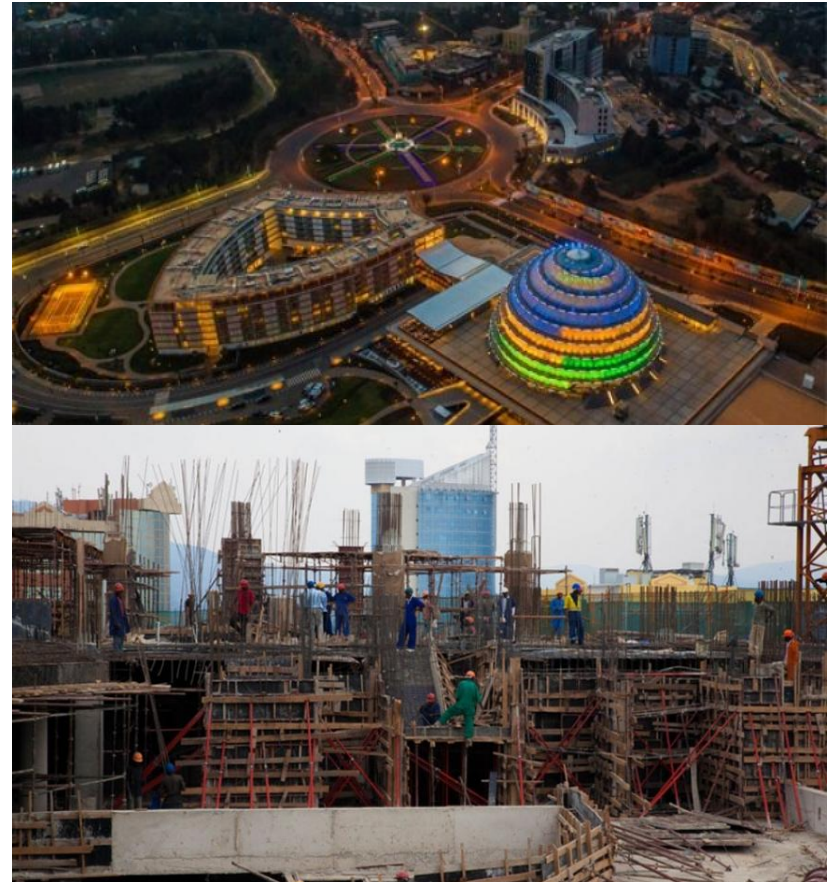
| FY 2018/19 Source of Revenue in millions of UGX (millions of USD) | Arua                     | Gulu                      | Fort Portal              | Jinja                     | Masaka                   | Mbale                    | Mbarara                   |
|---|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
| Intergovernmental Fiscal Transfer                                 | 8,995<br>(2.45)          | 17,102<br>(4.67)          | 9,831<br>(2.68)          | 17,885<br>(4.88)          | 8,987<br>(2.45)          | 16,746<br>(4.57)         | 18,606<br>(5.08)          |
| External (incl. aid)  | 11,207<br>(3.05)         | 21,381<br>(5.84)          | 7,900<br>(2.16)          | 12,184<br>(3.33)          | 12,843<br>(3.51)         | 14,085<br>(3.85)         | 23,081<br>(6.30)          |
| Own-Source Revenue  | 2,801<br>(0.76)          | 6,212<br>(1.70)           | 3,526<br>(0.97)          | 12,822<br>(3.50)          | 3,609<br>(0.99)          | 2,330<br>(0.64)          | 6,118<br>(1.67)           |
| <b>TOTAL</b>  | <b>23,003<br/>(6.28)</b> | <b>44,695<br/>(12.20)</b> | <b>21,257<br/>(5.80)</b> | <b>42,891<br/>(11.71)</b> | <b>25,439<br/>(6.94)</b> | <b>33,161<br/>(9.05)</b> | <b>47,805<br/>(13.05)</b> |

Source: Ofungi, D. (2020)

...that ensure investments can be made to improve the business climate, attract firms and generate jobs...

### Kigali: One Stop Shop for Construction and Planning

- Time to get a construction permit cut from 15 to 7 days
- Reduced cost of the construction permit from 3.5 million RwF to 600,000 RwF
- Reduction of use of topographic surveys where land is covered by the Masterplan
- Online application process



...and above all a collaborative effort between national and city governments to achieve the promises from NDP III of cities that work.



NATIONAL PLANNING AUTHORITY

THIRD NATIONAL DEVELOPMENT PLAN  
(NDPIII) 2020/21 – 2024/25

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# Thank you!

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