Cities & Urbanisation
#1 development tool?

June 2015

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PwC Megatrends

- Demographic and social change
- Shift in global economic power
- Climate change and resource scarcity
- Technological breakthroughs
The Urban Age

- Over 80% of global GDP is generated in cities.
- 93% of global urban population growth will take place in developing countries.
- Over 70% of global greenhouse gas emissions come from cities.
- 1.4 million people move to cities each week – 55% of people now live in cities.
- Over $50 trillion of investment is needed in urban infrastructure by 2050.
- A third of global city dwellers live in slums, 63% in African countries.

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When countries grow, they urbanise – right?

**Plan**
- **Low income countries** with weak relationships between economy and geography

**Build**
- **Middle income countries** experiencing rapid economic and spatial transformation

**Regenerate**
- **Higher income countries** with low-growth, complex and diversified economies and urban systems with high degrees of autonomy for cities
Making urbanisation work for development
Three things to get right

Economies of agglomeration
National urban systems
Rural – Urban Linkages
Unlocking the power of cities in Ethiopia
**Project objectives**
Supporting Ethiopia’s urban transition

**Spatial Economic Planning Framework**

1. To develop a framework which Ethiopia can use to design its spatial economic strategy

**Analysis that supports growth**

2. To underpin this with analysis tools that link economic and urban strategies

**A preferred spatial economic strategy**

3. To use scenario analysis to help inform planners and policymakers of the trade-offs and opportunities
Introducing the 5-stage Spatial Economic Planning Framework used to inform this work

1. Objectives & situation analysis
2. Urban demand model
3. Benchmarking & scenario development
4. Options analysis and preferred spatial scenario
5. Implementation planning

To be revisited and updated at each 5 year GTP cycle
Stage 1: Population, urbanisation and economic development trends in Ethiopia
Stage 2: Spatial urban demand model

\[
\text{Current urban structure} + \text{Physical constraint layers} + \text{Economic input layers} = \text{Final urban Demand}
\]
Stage 2: Layering demand drivers and constraints

Current urban structure

- Flood risk
- Natural resource availability
- Agricultural activity
- Port proximity
- Earthquake risk
- Water availability
Stage 3: Economic transformation stories
Structural transformation and urbanisation

- Korea: 5 years to reach MIC status
- Vietnam: 8 years
- Philippines: 24 years
- Malaysia: 7 years
- Thailand: 12 years
- Indonesia: 23 years
- Honduras: 26 years
**Stage 3: Spatial growth scenarios**

<table>
<thead>
<tr>
<th>A: Primary City</th>
<th>C: City Clusters</th>
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<td>![Map of Primary City]</td>
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Stage 4: The Performance Assessment Framework

**Smarter urban systems**
- Coordinated urban network
- Compact urban form
- Connected population
- Access to markets and services
- MSME growth

**Engines of growth**
- Competitive cities
- Rural-urban linkages

**Greener growth**
- Low carbon development
- Environmentally sensitive
- Resource efficiency
- Climate Resilience
- Quality of life
- Equity and inclusion

**Hubs of social development**
- Social infrastructure and services
- BAU scenario
**Stage 4: Scenario analysis**

**Smarter urban systems**
- Coordinated urban network
- Compact urban form
- Connected population
- Access to markets
- MSME growth
- Competitive cities
- Strong rural-urban linkages
- Social infrastructure and services
- Culturally inclusive

**Greener growth**
- Low carbon development
- Environmentally sensitive
- Resource efficiency
- Resilience
- Quality of life
- Culturally inclusive

**Engines of growth**
- BAU scenario
- Primate scenario
- Polycentric scenario
- Clustered scenario
- Distributed scenario
- Preferred scenario

**Hubs of social development**
- Hubs of social development
Stage 4: Preferred strategy: Three directions

1. Unlocking the power of new and specialised urban growth centres
2. Agglomerate and connect economic functions and markets
3. Embed compact, connected, resilient and sustainable urban planning and design
Stage 5: Implementation priorities
Priorities for donor programming?

- Spatial economic planning
- Key research and knowledge gaps
- Improving the enabling environment
- Unlocking finance and investment
- Equitable and inclusive transition
- Cities as market systems?
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