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The Great Cities Partnership

A USG Initiative to Support Thriving, Green, and Resilient Urban Centers in Africa

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“The United States should work with African partners today to... start an urbanization initiative, including partnerships with U.S. cities, to help African cities plan for their growth in terms of critical sectors like energy access, climate change adaptation, transportation, and water management.”

– Joe Biden, August 1, 2019

Summary

A multiagency presidential initiative to partner with Africa's fast-growing cities will help to meet U.S. economic, development, climate, and national security objectives.

The Context

Africa is on the cusp of an urban revolution. By 2050, the majority of Africans—some 1.5 billion people—will live in cities. More than 30 African cities will top 5 million people by 2050 (Annex B). The region's most pressing foreign policy challenges and most enticing commercial opportunities will consequently unfold across these rapidly urbanizing landscapes.

The Problem

Unfortunately, U.S. policy toward Africa has been unprepared for this transition. It has overwhelmingly focused on rural development and security. According to the United States Agency for International Development's (USAID) [foreign aid dashboard](#), Washington spends more than twice as much on rural areas than urban areas in sub-Saharan Africa. Cities, however, are engines of productivity, epicenters of creativity, and generators of wealth. But many are also poorly designed and governed while suffering from crime, traffic, pollution, and food insecurity. Ultimately, they underserve the potential of their citizens. The United States needs to pivot now.

The Urgency

Africa's urban hubs will become the nexus of every vital foreign policy objective.

U.S. Influence: China and other strategic competitors and adversaries are currying favor with municipal leaders and selling infrastructure, from railways and ports to critical information and communications technology (ICT) and smart-city packages.

Climate Change: Africa's biggest cities—disproportionally sitting on the coast—will struggle to adapt to the effects of climate change, while urban planning and new infrastructure create opportunities to climate-proof these growing population clusters.

Global Health and Economic Recovery: Burgeoning cities have borne the brunt of the Covid-19 pandemic and the economic fallout. Addressing congestion, sanitation, and health systems is needed for a durable rebound.

Commercial Opportunities: U.S. companies specializing in services, urban planning, technology, and critical infrastructure, are in a superior position to partner with and prosper from new commercial links to the continent's cosmopolitan urban centers.

Youth Employment: U.S. leaders have an opportunity to make a down payment with the region's future leaders and improve the lives of the growing number of young urban dwellers who are hungry for new opportunities but face the risk of frustration and wasted talent if cities fail to respond.

The Opportunity

President Biden committed to an urbanization initiative during the campaign. His instincts are exactly right; the United States is home to some of the most innovative companies in urban ecosystems. From energy and technology to health and security, the U.S. private sector knows how to build world-class city

infrastructure and services and create new opportunities. The U.S. government has many tools to spur foreign investment, and it needs to apply them to catalyze urban economic growth abroad. Together, the U.S. federal government, working closely with U.S. municipal officials, can foster enabling environments to promote positive economic growth, stability, and security in African cities. Moreover, it can generate attractive opportunities for U.S. business.

The Proposal: Launch the Great Cities Partnership

A multi-agency presidential initiative to harness existing tools and capabilities will help unlock this potential and foster thriving, green, and resilient cities.

GOALS

- Create 2 million jobs by 2030.
- Catalyze \$20 billion in new urban investment by 2030.
- Reduce local air pollution by 20 percent by 2030.

PILOT

- Start with five cities in 2022.
- Strong candidates: Lagos, Nairobi, Dakar.
- Potential candidates: Antananarivo, Douala, Kinshasa, Cape Town, Kano.

SELECTION CRITERIA

Transparent criteria will identify potential high-impact partner cities that have:

- A population projected to exceed 5 million people by 2050;
- An identifiable fast-growing middle class of consumers;
- Sufficient legal, regulatory, and political autonomy to take actions and to raise revenue; and
- Demand and capacity to engage with the partnership.

ACTIVITIES AND STRUCTURE

Borrowing from the Millennium Challenge Corporation (MCC) compact model, the partnership would:

- Work directly with municipal governments;
- Conduct joint constraints analysis to identify barriers and a work plan; and
- Establish five-year municipal compacts and joint progress indicators.

10 Areas of Work

The partnership will cover governance barriers and catalyze hard and soft infrastructure investments across 10 critical areas that make cities work: digital connectivity, energy, transportation, legal, safety and security, housing, health, water and waste, higher education, and creative arts (see Annex A).

Institutional Structure

Drawing heavily from lessons from Power Africa, the initiative would be jointly chaired by the National Security Council (NSC) and MCC. The coordinator and staff would be housed at MCC. Interagency participation via a working group would include the Department of State, the Development Finance Corporation (DFC), the Trade and Development Agency (TDA), the ExIm Bank, the Treasury, and Commerce (and potentially also eventually include Justice, Energy, Transportation, Labor, Housing, and Urban Development). The initiative will have an honorary board of trustees, chaired by two prominent former U.S. mayors.

- **Role of the White House:** The NSC should convene the interagency to finalize details and launch the initiative with the imprimatur of the president.
- **Role of Congress:** Legislation is required to enable MCC to sign subnational compacts. That same legislation would strengthen the initiative and its durability by also establishing the goals and tools of the effort, authorizing sufficient funding, and signaling bipartisan support.
- **Role of the Coordinator:** The initiative's Coordinator's Office will be relatively small with two tasks: (a) to coordinate the interagency and (b) to manage the teams handling compact negotiation, analysis, and evaluation. Although housed within MCC, the coordinator and team are separate and will be partially staffed with detailees from other agencies.

Notional Budget and Commitments

For example, the initiative could include the following pledges:

- **Coordinator Office:** \$10 million per year for five years for operations, plus \$10 million per year for interagency transfers to facilitate projects and collaboration.
- **MCC:** \$1 billion for five subnational compacts in five pilot cities.
- **DFC:** \$5 billion over five years to crowd in an additional \$10 billion in private capital.
- **ExIm Bank:** \$5 billion over five years.
- **USAID:** \$50 million in grant finance and technical assistance.
- **Treasury:** Create a full-time equivalent (FTE) for urban projects liaison to U.S. banks and a municipal tax adviser.
- **State:** Create an FTE for city liaison officers at relevant posts, along with additional local-hire positions, and an International Narcotics and Law Enforcement Affairs program on policing and security.
- **USTDA:** \$5 million for infrastructure feasibility studies.
- **DOJ:** \$1 million for a legal attaché.
- **Commerce:** \$5 million for commercial support.
- **Transportation:** FTE adviser.
- **EPA:** FTE adviser.
- **HUD:** FTE adviser. ■

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Annex A: Illustrative Areas of Work

The initiative will cover governance and infrastructure across 10 critical areas that make cities work. Potential examples of such programs and lead agencies include:

	GOVERNANCE	SOFT INFRASTRUCTURE	HARD INFRASTRUCTURE
1. DIGITAL CONNECTIVITY	TA adviser helps to reform electricity regulations for data centers	USAID program to connect schools in Kampala	DFC investment in fiber-optic cable in Kano, where peak internet traffic is 60 Mbps
2. ENERGY	USAID/Power Africa support for tariff reform in Abidjan	ExIm support for a grid management system in Nairobi	DFC commit \$500 million to industrial zone power plant in Lagos
3. TRANSPORTATION AND LINKAGES	MCC and USDOT support a transportation oversight board in Lagos where its poorest inhabitants currently spend 100 percent of household income on daily commuting costs	Digital traffic control systems; DHS airport security upgrades in Nairobi, which has the second-most congested city in the world	MCC investments in airport, port, and highway systems
4. LEGAL	HUD program to update procedures and standard for permitting and zoning regulations in Abuja to facilitate investment	DOJ program for digital docket management system in courts	
5. SAFETY AND SECURITY	State Department funds anti-bribery campaign in Douala	ExIm support for security camera system in Lagos	Interagency initiative to replace Huawei as vendor for Nairobi's safe-city program
6. HOUSING	USAID and HUD streamline permitting process and land tenure laws in Kampala, which labors under one of the most complicated land regimes in the world	USAID supports geospatial mapping and land securitization program in Nairobi	DFC commits \$2 billion in construction loans for Lagos housing estates; DFC catalyze seed funding for a REIT
7. HEALTH		USAID grants for digital health records	DFC investments in private clinics
8. WATER AND WASTE	USAID and Commerce Department's Commercial Law Development Program partner to dismantle water cartels in Nairobi	DFC invests in a local startup that provides remote sensors to monitor water quality	USAID-supported program to extend access to piped water and septic tanks in Kinshasa, where access remains relatively low and declines with distance from the city center
9. HIGHER EDUCATION	ED-facilitated private-public partnerships with the University of Ibadan, which is ranked #8 in the U.S. News index for African universities	State Department convenes U.S. universities with one in each capital for joint programs	USAID partner with private U.S. foundation to expand Makerere campus
10. ARTS AND CREATIVE INDUSTRIES	Commerce Department's Commercial Law Development Program works with record labels in South Africa to broker agreement on copyright laws	State Department and the National Basketball Association launch a high-profile urban youth initiative	DFC invests in a music and film studio in Lagos

Annex B: Population, 2050

(In millions)

Kinshasa	35.0
Lagos	32.6
Cairo	24.0
Khartoum	16.0
Dar es Salaam	16.0
Luanda	14.3
Nairobi	14.2
Addis Ababa	13.2
Abidjan	10.7
Kano	10.4
Kampala	9.4
Ibadan	8.7
Alexandria	8.7
Dakar	8.5
Bamako	7.6
Antananarivo	7.2
Abuja	6.9
Ouagadougou	6.9
Niamey	6.8
Mogadishu	6.6
Giza	6.5
Lubumbashi	6.1
Conakry	6.1
Mbuji-Mayi	6.0
Accra	5.9
Lusaka	5.6
Maputo	5.5
N'Djamena	5.5
Algiers	5.3
Douala	5.2
Lome	5.0

Source: "City population 2050," Ontario Tech University, <https://sites.ontariotechu.ca/sustainabilitytoday/urban-and-energy-systems/Worlds-largest-cities/population-projections/city-population-2050.php>.