

**Greater Horn of Eastern Africa (GHEA) Outlook  
#18**

**Are Satellite Cities the (official) future of  
GHEA's urbanisation?**



**Society for International Development**

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## 1. Introduction

Five years ago, SID published the State of East Africa Report 2006 in which the following trends were reported:

- In 2000, Kenya was the most urbanised country in East Africa, with 36% of its population living in urban areas. Tanzania followed with 32%, Rwanda (14%) and Uganda (12%). The region's urbanisation was lower than the global rate of urbanisation of 47%, and only Kenya exceeded the sub-Saharan African average of 34% urban population in 2000.
- In 2001, the percentage of the urban population living in slum conditions<sup>1</sup> was highest in Uganda at 93%, followed by Tanzania (92%), Rwanda (88%) and Kenya (71%).
- By 2005, assuming that the urbanisation rates of 2000 had not changed, the urban population in the region was estimated at 28.6 million East Africans (26.6% of the total population in that year).
- In 2005, based on an urban population of 28.6 million in the region and assuming the same rate of slum residence as in 2001, about 24 million East Africans (over 83% of the urban population and 22.4% of the total population) lived in slum conditions.

According to the Economist Intelligence Unit's "World in Figures 2010", East Africa has three of the world's twenty fastest growing cities: Kigali was at the top with an annual growth rate of over 7%. Kampala was number sixteen and Dar es Salaam, number 18.

Three observations are clear in these trend data. First was the low level of urbanisation in East Africa a decade ago, relative to the rest of the continent and the world. Second, is the very fast growth (albeit from a low base) of three of East Africa's capital cities. This is a clear sign of the accelerating rate of urbanisation in the region since 2000. Third and perhaps most importantly is the very high rate of slum residence in the region, accounting for more than 80% of the urban population in 2005. Faced with these drivers and characteristics of urban growth, manifested by capital cities that are literally bursting at the seams, how has the region responded?

This issue of GHEA Outlook explores one aspect of the region's urban future – Satellite Cities. It is a good example of an interesting trend - an equivalent but seemingly uncoordinated response to a similar challenge (there is no indication that the region's governments and city managers all met and agreed to deploy satellite cities as one solution to the problem).

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<sup>1</sup> A slum household is defined by the United Nations Human Settlements Program (UN-HABITAT) as a group of individuals living under the same roof that lacks one or more of the following conditions: "secure tenure status, adequate access to improved water, adequate access to improved sanitation and other infrastructure, structural quality of housing, and sufficient living area (Source: World Resources Institute, 2005)."

In this respect, the satellite city 'solution' to GHEA's urbanisation challenge contains some characteristics of 'emergence' as defined thus by Jeffrey Goldstein: "the arising of novel and coherent structures, patterns and properties during the process of self-organization in complex systems".<sup>2</sup>

GHEA's cities are complex systems with a significant degree of self-organisation in the way they are evolving. Satellite cities are a new development, particularly in their being promoted by business (mostly) as the future of well-organised urban spaces. They are also broadly coherent in their structures (fairly self-contained), patterns (separate from the 'mother city') and properties (wealthy) across the region.

In the next section (Exhibits), this GHEA Outlook highlights five of the region's new satellite cities in Kenya, Uganda, Tanzania and DR Congo. Part 3 (Insights) speculates on whether this is the wave of the future, raises some concerns about the displacement of the poor and vulnerable to make way for the new cities, and asks whether the GHEA's wealthy are actually seceding from everyone else. Part 4 (Foresight) pushes the thinking further into a future of GHEA Charter Cities and cities-as-businesses.

At the core of this GHEA Outlook however, remains the essential question of promoting equity as the region grows. The satellite cities solution to the urbanisation challenge seems to pose a particular risk to any notion of equitable growth.

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<sup>2</sup> Goldstein, Jeffrey (1999), "[Emergence as a Construct: History and Issues](http://www.anecdote.com.au/papers/EmergenceAsAConstructIssue1_1_3.pdf)", *Emergence: Complexity and Organization* 1 (1): 49-72 available on [http://www.anecdote.com.au/papers/EmergenceAsAConstructIssue1\\_1\\_3.pdf](http://www.anecdote.com.au/papers/EmergenceAsAConstructIssue1_1_3.pdf)

## 2. The Exhibits

### Exhibit One – Tatu City (Nairobi, Kenya)



Source: <http://www.tatucity.com/>

Tatu City in Kenya is a brand new city that will complement, not replace Nairobi, and at completion will be worth \$5 billion - the single biggest FDI injection. It looks new and different from other projects (every toilet in Tatu City will flush with recycled water. Every roof should harvest rainwater). The Ruiru Council, which has embraced the project, is building capacity to manage with Tatu and is going to reap the benefits of the project, which might lead other municipalities and counties to do the same. Other mega housing developments that have been inspired such as Migaa, Thika Greens, and on other towns like Eldoret (Sergoit).

The site of the proposed development is over 1,000 hectares (2, 400 acres) in size. Part of the land to be developed is currently a productive coffee farm and coffee production will continue on a further 4,000 ha during the development of Tatu City. The site is situated directly in the path of a continuously growing urban development extending northwards from Nairobi. The development will result in the creation of a new decentralized urban centre to the north of Nairobi, in line with the Nairobi authority's planned creation of decentralised development areas to alleviate the congestion within Nairobi.

Tatu City will be home to an estimated 62,000 residents who will have the opportunity to live, work and play within their [community](#) and is also expected to attract around 23,000 day visitors. Tatu will create 3,000 houses a year in a country that has an annual housing shortage of 35,000 to 40,000 per year.

The proposals fit the requirements outlined by the government. “Aligned with the vision and purpose of the Nairobi Metro 2030 Strategy – which is part of the overall national development agenda for Kenya – Tatu City is a model of the African city of the future and a place where everyone will undoubtedly desire to live, work and play”.

The GHEA region seems to have such faith in the project that others have already begun replicating the model. Renaissance Partners, the group responsible for Tatu City have already set their sights on Rwanda’s housing shortage. “We are having a high-level engagement with Rwanda to establish a satellite city outside Kigali,” Arnold Mayer, the managing director for Africa at Renaissance Partners told *The East African* in Johannesburg... “the business model involves acquisition of a large piece of land outside a city that is choking due to rapid urbanization, to set up satellite cities with proper infrastructure such as roads, water and electricity that will accommodate more people”.

### **Exhibit Two – Konza Technology City (Machakos, Kenya)**



Source: <http://www.itnewsafrika.com/2011/08/kenya-set-on-multi-billion-konza-city/>

The Kenyan government is seeking private sector participation in the construction of a multi-billion dollar ICT City Park known as Konza Technology City. The first phase of the project is expected to cost about \$3 billion.

Permanent Secretary in the Ministry of Information and Communication, Dr Bitange Ndemo said upon its completion the project is expected to be Africa’s home of computerization – the equivalent to California’s Silicon Valley, complete with a skyscraper business centre, hotels, international schools and hospitals.

Konza Technology city will be a 5,000-acre technology park, which will be located in Machakos County, in Eastern Kenya. The government was looking for a single private master developer who is expected to undertake master planning duties of the entire

property under a master development agreement. The master developer would also be expected to finance the city's development either directly or through sub-developers.

The Konza Technology City is an idea that was put together by an international team of experts from the UK, China and Brazil whose aim is to ensure global competitiveness.

Phase One of the project will be the construction of a science park, business process outsourcing centre, international finance centre, tourism facilities and a research centre. In phase two, it is anticipated that the development will create 39,000 jobs nationally, with half of those direct jobs to be found within Konza Technology Park.

### **Exhibit Three – Kakungulu Satellite City (Kampala, Uganda)<sup>3</sup>**

The Kakungulu Satellite City is located on the Kampala-Entebbe highway, 18 kilometres from Kampala. It is built of a new 50,000-seater stadium, 2,500 houses and apartments, a business centre, schools, hospitals, hotels and 2 shopping malls.

A recent article on the issue asked, "Why fuss about gated homes?" Most residents who live in gated communities cite security as the reason for choosing them as a home. According to Anatoli Kamugisha, the managing director Akright projects, one of the leading builders of gated developments in Uganda, security is critical when it comes to choosing a home. In a nation confronting security jitters, living behind walls and knowing your neighbours is security enough for many.

"Gated communities are communities with the same character, security and share a number of social amenities," one architect says, revealing further that gated communities have become popular. Homeowners in gated communities live in upscale and mostly rich developments. Though they have not existed for long, gated communities are fast developing in the middle class residential neighbourhoods in Uganda. While Kakungulu Satellite City is the biggest gated community in Uganda, other gated developments by the project include the estates in Namugongo and Palm Villas, a private gated community with condominiums and bungalows in Munyonyo. Tirupati development is constructing a gated community in Naguru, that is due completion in mid 2012.

The rising trend may cause concern that these new ghettos of affluence are dividing society and could undermine public services. The architects who design them, however, do not reckon that these homes cut off people from the rest of the community. One says the idea of having all the services in one gate is to ease the life of the tenants.

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<sup>3</sup> Source: [http://www.menafn.com/qn\\_news\\_story.asp?storyid=%7B32be1ffc-22ae-407b-8796-162af9a9487b%7D](http://www.menafn.com/qn_news_story.asp?storyid=%7B32be1ffc-22ae-407b-8796-162af9a9487b%7D)



With regards to housing and shelter, the Action Plan intends “to augment housing delivery within local authorities, increasing the supply and improving the quality of rental housing and ensuring that there are widespread readily available and affordable housing finance facilities”. One of the items on Action Plan’s agenda is the construction of a satellite city in Kigamboni. In keeping with Action Plan’s vision, the Kigamboni project aims to create planned and serviced housing and shelter to the people of Dar es Salaam. “The government is considering constructing a new urban expansion area in the Kigamboni region of Dar es Salaam. Negotiations are taking place between the government, residents and the Temeke Municipality.” Temeke is included in the equation due to the fact that a “minimal” number of households that will be displaced will be relocated in Temeke.

While the government is promising that there will be very limited displacement, a 2010 UN Habitat report noted that “it can be expected that a large proportion of the current landowners in the areas earmarked for the project will have to move”. Ms. Zarina Madabida (Special Seats – CCM) asks a very poignant question concerning the matter of relocation: “Why should the government evict people in such projects, whom do we intend to benefit?” Ms. Mariam Mfaki (Special Seats – CCM) states, “Dar es Salaam is our city, the city for all Tanzanians, everyone would like to have a plot and a house there. Therefore, the Kigamboni issue touches the interests of many”.

#### *The Satellite Cities Project<sup>4</sup>*

The Government of Tanzania is establishing six satellite towns at the periphery of Dar es Salaam. This project, carried out by the Ministry of Lands, has the following main objectives:

1. Reduce the growth of existing unplanned settlements and prevent the formation of new ones
2. Stimulate planned land development
3. Bring urban services closer to residents thus decongesting the city centre

The proposed centres are Mji Mwema, Kimbiji and Kongowe in the Temeke Municipality (South of Dar es Salaam; Pugu Kajiungeni in the Ilala Municipality (west of Dar es Salaam), and Bunju and Luguruni in the Kinondoni Municipality (north of the city). The planned activities are: sensitization of property owners to facilitate land acquisition; planning and surveying of the area; valuation and compensation; relocation of existing settlers; sale of plots by tender to prospective developers; and allocation of offers for the right of occupancy and title deeds.

In the Kwembe area, the Project has already been implemented through development of plans and payment of compensation to owners whose structures have to be demolished. There were several differences between the Ministry and the residents about the adequacy of compensation. The demolition of existing properties started in 2009.

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<sup>4</sup> Source: <http://www.unhabitat.org/pmss/getElectronicVersion.aspx?nr=3033&alt=1>

*There is a risk that the project will exclude low-income households who cannot afford to live in the new planned neighbourhoods of the satellite cities. During implementation of the Citywide Action Plan, measures need to be taken to prevent the forced eviction of existing settlers from the satellite city areas and their involuntary relocation into unplanned areas. Moreover, unplanned sub-division of land around the project areas needs to be prevented.*

There seems to be a serious lack of trust between the government and the people when it comes to the National Housing Policy. The government claims, “to see to it that unplanned areas are upgraded in order to improve the lives of Tanzanians. However, when questioned, “Prof. Tibaijuka said that the ministry through the NHC was determined to build better residential houses in the country which *middle* and *upper* class people could afford.”

### **Exhibit Five – La Cite du Fleuve (River City) (Kinshasa, DR Congo)**



“With most of the eight million people in Kinshasa living beneath the poverty line, the only people who will be able to afford these flats will be expatriates and the Congolese elite.”

There is no doubt that La Cite du Fleuve (River City) is an innovative project. Arguably Africa’s most ambitious construction project, the city is to be built on two islands on the River Congo. Dubbed “the new Manhattan” La Cite du Fleuve is expected to house “thousand of flats, villas, offices, hotels and shopping centers”. Like most political and commercial capitals in Africa, “it is very difficult to find land right now in Kinshasa and if you find some, land title issues are so big that most of them are under conflict in court”. Consequently, this project is groundbreaking simply by being an alternative to the common conceptions of land. DR Congo is plagued by inconsistencies in its land and title deed laws that lead to long and bitter court battles. La Cite du Fleuve intends to avoid these pitfalls.

While the city itself is to be built on apparently unclaimed land, the roads that lead to it are to be built on the homes of over 10,000 slum dwellers. The project’s promoter, Mr. Robert Chouduroy claims that no building had been demolished before negotiations had occurred. However, the dwellers themselves tell a different

story. “To extend the roads, they destroyed our homes without prior compensation,” said Mr. Gabriel Koffi, a Kinshasa slum dweller.

The disregard for the poor and vulnerable in the area is made explicitly clear by the city’s target consumers. On its official website, the project states that “La Cite du Fleuve will provide a standard of living unparalleled in Kinshasa and will be a model for the rest of Africa. La Cite du Fleuve will showcase the new era of African economic development”.

The question is who will benefit from this increase of standard of living? The fact that a three-bedroom apartment will cost \$200,000 makes it clear that the slum dwellers are not considered viable tenants in the city. Little surprise therefore that the poor and vulnerable in the Kinshasa slums feel threatened.

Some argue that the market for luxury development in Kinshasa is already saturated. The demand now lies in affordable housing from the minority middle class (about 300,000 people). La Cite du Fleuve is valued at \$1.0 billion and is financed by a group of international private investors.

### **3. Insights**

#### **Insight #1 – Satellite cities is the wave of the future**

Satellite cities are mushrooming across GHEA, in response to the very rapid and largely unplanned growth of its urban centres. They also seem to be an expression of ambition, which reflects the expectation of near-term prosperity, at least for their planners and developers. Furthermore, all satellite cities are attached to the capital cities – the ‘mother’ cities – and very little is heard about satellites emerging adjacent to the region’s second cities and towns such as Mwanza in Tanzania or Mombasa in Kenya.

One also detects in the cheerleading and copycatting – Dar es Salaam also wants an ICT “smart village” - a desire to be seen to be retaking control over the shape and process of urban growth in the GHEA, to show that it is not all about the organic growth of slums.

Is there any escape from the inadequacies and challenges of existing city services and governance? Do they complement or compete with existing cities? Will they result in a significant out-migration from the incumbent cities as the wealthy residents (firms and people) move there, taking with them the jobs, tax revenues, culture, connections and vibrancy?

They may also become case studies in how the older incumbent cities could be managed so as to attract or retain their residents. Kigali and Nairobi have modernised their city centre and revitalised social and economic life there. If and when satellite cities are successfully executed, they could become shining examples of urban development in the region and inspire other, smaller cities to emulate them.

### **Insight #2 – Equity ignored: displacement and relocation**

It is almost inevitable that the poor will be displaced from their homes and livelihoods to make way for the new cities. It is instructive that while the Government of Tanzania promised that there would be limited displacement in the areas earmarked for Kigamboni Satellite City, a UN Habitat report expressed its doubts about this, noting that given the size of the development, a large proportion of existing landowners would have to be relocated.

Compensation could reduce some of the pain of displacement and relocation but only when it is deemed adequate in the eyes of the recipients - a rare event under prevailing conditions of determined governments and developers. Tanzanian legislators raised serious questions on behalf of the incumbent residents, some of who have little or no legal basis (title deeds) for their claims to the land on which they live. On this basis they can face lawful dispossession and displacement. Overall, questions of fairness, justice and equity appear to have received little more than a passing mention.

### **Insight #3 – Satellite cities as secession by the rich**

Amidst the excitement generated by the dazzling artists impressions and breathless official endorsements (see Tatu City's acceptance as an official Vision 2030 project) it is difficult to shake off a sense of concern that these cities, as envisaged and designed will deepen the social division and exclusion in GHEA's urban areas. There is an almost deafening silence on the issue of their implications for ordinary and poor urban residents. While some of the language and marketing sounds inclusive, the pricing is not. That most fragile, intangible and precious quality of vibrant cities, a sense of shared space and experience, could be lost forever. It is not clear that once transplanted to Tatu, Konza, Kalungulu and La Cite du Fleuve, the same sense of 'place' and 'belonging' could be rekindled.

In more concrete terms, the poor and vulnerable populations in the 'mother' cities face the heightened risk of further marginalisation and impoverishment in at least two ways. The first is by encouraging the migration of the richer residents to the new cities, taking with them the property taxes, land rent, rates and levies paid to local city authorities. This revenue loss would have to be compensated for either by imposing higher rates, or levying new taxes on the less affluent residents who cannot move, or by lowering the quality of existing services, for want of resources.

The second way is in imposing higher costs in the form of longer, more expensive commutes on those who are able to secure work in the new satellite cities but cannot afford to live there - the support staff at the new businesses or the house help. Such physical distance would create, reinforce and deepen social and economic separation - a form of physical and fiscal secession by the rich from their compatriots.

## 4. Foresight: GHEA's satellite cities as embryonic Charter Cities

In the SID East Africa Scenarios published in April 2008, one of the stories – I want to be a Star – imagines an East African region made up of Gated City States by 2030. These are described as follows,

*“The gated communities where the rich elites live have formed powerful associations and lobby successfully for various concessions, including lower income and property tax rates and the right to deny entry (effectively the right to issue residence passes/permits to their areas). They share the costs of beautification and protection from outsiders.”*

A prominent US economist, Paul Romer, has developed the concept of Charter Cities as a ‘radical solution to the problem of poverty’.<sup>5</sup> According to the Chartercities.org website,

*“A charter city is a new type of **special reform zone** (our emphasis). It extends the concept of a special economic zone by increasing its size and expanding the scope of its reforms. It must be large enough to accommodate a city with millions of workers and residents. Its reforms must extend to all the rules needed to support exchange in a modern market economy and structure interactions in a well-run city.”*

Combining the SID scenarios, Romer's concept and the growth of satellite cities in the GHEA suggests the fascinating possibility that the region could lead the world in the creation of private charter cities which are geographically, socially, fiscally and, ultimately, politically separate from their host nations.

GHEA's emerging satellite cities contain the seeds of such autonomy: Tatu City has struck a fiscal deal with the Ruiru Council; Konza City is premised on a new, almost self-contained high-tech economy; La Cite du Fleuve is rising from the waters of the Congo river and physically separating itself from Kinshasa. It is almost natural to push these developments to the limit of their implications and arrive at the Gated City States of the ‘Star’ story.

Imagine a future in which international bidding processes will select the management teams for the satellite cities; residents (firms and families) would apply for residence and be interviewed to gauge their financial fitness and cultural compatibility; and day workers would be issued with special passes to be in the city. These practices are not new: special city passes are used to control the inflow of migrant workers into China's manufacturing heartland in the Pearl River delta; residence interviews are conducted by some New York coop apartments; and

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<sup>5</sup> Source: <http://timharford.com/2011/04/is-it-time-to-outsource-cities/>

contracts are regularly awarded to manage large infrastructure assets such as ports and utilities.

GHEA's satellite cities are essentially large infrastructure assets, targeted at the region's affluent populations GHEA's future and expected to operate by a different set of both formal and tacit rules to their surrounding hinterland.

Commenting on Romer's Charter Cities concept, Tim Hartford is excited by what he calls the 'real radicalism' it represents, "that building cities could become a business in its own right. And as with any dynamic industry, some of these city-businesses will flourish magnificently. Others will fail."

In the GHEA, the new 'city-building business' is already being executed through the satellite cities. That future is here. It remains to be seen, which of the city-firms will 'flourish magnificently' and which of them will 'fail.'

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