



**2015 AFGHANISTAN COUNTRY REPORT  
FOR HABITAT III  
ISLAMIC REPUBLIC OF AFGHANISTAN**

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## Minister's Foreward

Cities have great potential to improve livelihoods, drive economic growth and provide safe and affordable housing and adequate services. With continued urbanisation in Afghan cities occurring in the next few decades, there is a great opportunity to promote urban development that is sustainable, equitable and a catalyst for economic growth.

The priorities of the National Unity Government of Afghanistan for the urban sector are very clear. The 'Realizing Self-Reliance' Framework presented at the London Conference on Afghanistan in 2014 explicitly stated cities are to be drivers of economic development. The Ministry of Urban Development Affairs (MUDA) is currently leading the drafting of an Urban National Priority Programme (U-NPP) and associated comprehensive urban development programme. Together these will lay the foundations for a sustainable urban future.

However in Afghanistan, basic information for urban areas does not exist, is outdated, or not shared. As a result, MUDA has been challenged to pro-actively guide the growth of Afghanistan's cities and harness urbanization as a driver of development.

This report presents an assessment of important thematic areas of the urban sector: urban demography, land and urban planning, environment and urbanizations, urban government and legislation, urban economy, and housing and basic services. The report briefly covers the issues and challenges experienced under each of the above thematic areas, as well as lessons learnt from past successes and failures. The assessment when integrated with the findings of the State of Afghan Cities 2014/15 report can provide the urban stakeholders with policy priorities and strategic directions to pursue in the urban areas.

H.E. Sadat Mansoor Naderi, Minister for Urban Development Affairs

## Executive Summary

Afghanistan is amongst the fastest urbanizing regions of the world, with an annual urban growth rate of 4 percent. It is projected that the country's urban population may triple to 24 million within 35 years, having profound consequences for the country's development. The ongoing urban transformation is occurring alongside a demographic transition—a “youth bulge” with more than 60 percent of Afghans under the age of 20 years. Afghan refugees and returnees, and internally displaced persons today represent 20 percent of the total population. Urban centers are the preferred destinations of most of these 5.8 million refugees seeking access to housing, basic services, and livelihood opportunities. Furthermore, more than half of Afghanistan's internally displaced people (IDPs) live in urban areas. In the country's transformation decade (2015 – 2024), Afghanistan's urban areas will play a crucial role as centers of knowledge, innovation, and enterprise to propel the country's economic transformation and growth.

The National Unity Government is spearheading a reform agenda – “Realizing Self-Reliance: Commitments to Reform and Renewed Partnerships,” presented at the London Conference in 2014, which lays out the roadmap for Afghanistan's transformation decade. The framework emphasizes the need to improve security, better governance, reduce poverty and stimulate job creation. Urbanization presents a distinct opportunity for Afghanistan as a driver of prosperity, stabilization, and state building.

However, an “urban agenda” has been largely missing in the past decades. Afghan cities have grown haphazardly, informally, with limited access to affordable and quality basic services, and with considerable socio-economic divisions and exclusion. There has been insufficient national policy and regulations to guide urban development; limited realistic and grounded spatial plans; and weak municipal governance to ensure equitable service delivery and effective management of the inevitable urbanization transition facing the country.

The State of Afghan Cities 2014/15, developed and implemented by three lead partners: Ministry of Urban Development Affairs (MUDA), Independent Directorate of Local Governance (IDLG), and Kabul Municipality (KM), is the first ever comprehensive and reliable assessment of Afghanistan's 34 Provincial Capital Cities. Leveraging benefits of urbanization and regionally balanced prosperity, will require a concerted range of strategic policy initiatives. This country report prepared for Habitat III to highlight priorities for the new urban agenda, articulates lessons learned and challenges confronting urban development and management in Afghanistan:

- Ensuring access to land, housing, and services is an immense challenge, yet there are also opportunities to harness urbanization as a driver of economic growth and social development.
- Planning processes should be addressed at ‘city regions’ extending beyond the current administrative boundaries and focusing on the social and economic dynamic between urban conurbations and their hinterland.
- Investments that have been made in upgrading urban services meet actual needs of only a small proportion of a fast-growing population. For this reason, opportunities for appropriate forms of public-private partnerships, where investors may be available, must be explored.
- Monitoring the many dimensions of this urbanization process, such as levels of public and private investment, unemployment, the extent of poverty and reasons for vulnerability, access to services, informal systems of neighborhood governance and urban-rural linkages will be vital for effective planning and management in the future.
- Sustained attention should be given to the contribution that Afghan women, youth and the elderly make to urban life and their potential – as citizens and professionals – to shape the way urban centers are planned and managed.

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## 1 Introduction

Afghanistan is a landlocked, mountainous country situated between central and south Asia. With an estimated population of 30 million (including refugees living abroad), it has a land area of 650,000 square kilometers. The central highlands, part of the Himalayan range extending across nearly three-quarters of the country, effectively divide it into two other geographic zones; a southwestern plateau and a smaller fertile northern plain. Its rugged geography has influenced its politics and governance. Distinct ethnic and socio-political characteristics have developed in these zones, whose communities have through history asserted de facto autonomy from central authority, in Kabul or elsewhere. Patterns of settlement tend to reflect the important trade routes that crossed a territory whose modern borders were established as a result of conquest, retreat and accommodation with foreign powers.

Afghanistan's development proceeds in the aftermath of a political transition that began with the removal of the Taliban administration in late 2001, as a result of international military intervention. This led to the formation in 2002 of a Transitional Administration, as agreed at the landmark Bonn conference, whose outcome was endorsed by U.N. Security Council Resolution 1385 in December 2001. In June 2002, an Emergency Loya Jirga endorsed the process of transition, which included the drafting of a constitution, presented in December 2003 to a Constitutional Loya Jirga. Presidential elections were held in October 2004 and again in 2009, with elections for the National Assembly and provincial councils held in September 2005 and again to 2010. Mohammed Ashraf Ghani was elected President in election that took place in 2014 and led to the formation of a National Unity Government.

This transition has taken place in the context of significant demographic change. Natural population growth is estimated at between 2.2% and 2.6% annually, with more than 60% of Afghans now under 20 years of age, which has implications for development in the country. Of the nearly one in three Afghans believed to have been a refugee, nearly 6 million have returned since 2002, in many cases bringing back skills and education that enables them to contribute to the process of recovery.

Since 2002, Afghanistan has been the focus of the largest external aid effort in history, with pledges by mid-2015 amounting to \$6.7 billion. Some 28% of this aid has been allocated for governance, 18% on infrastructure, 17% on agriculture and rural development and 11% on health. With much of this aid initially provided to non-governmental groups, efforts have been made in recent years to ensure that resources are allocated 'on-budget', so as to strengthen official capacity and ensure that government is seen to deliver public services. Despite the scale of the assistance effort, 36% of Afghans still live in poverty (29% in urban areas) and, at \$528, the country had one of the world's lowest average per capita incomes in 2013. Afghanistan was ranked 175<sup>th</sup> on the UNDP Human Development Index in 2011.

Twelve major conferences held on Afghanistan between 2001 and 2012 have provided a platform for the Afghan government and donors to agree on national development priorities. At the 2010 Kabul Conference, donors were urged to align their investments with the Government's 22 National Priority Program (NPPs), which were prepared under the 2008 Afghan National Development Strategy (ANDS), which in turn is aligned with the Millennium Development Goals. Under the 2012 Tokyo Mutual

Accountability Framework, donors set out a number of benchmarks against which further financial pledges would be made to Afghanistan.

The National Unity Government is spearheading a reform agenda – “Realizing Self-Reliance: Commitments to Reform and Renewed Partnerships,” presented at the London Conference in 2014, which lays out the roadmap for Afghanistan’s transformation decade. The framework emphasizes the need to improve security, better governance, reduce poverty and stimulate job creation. The role of urban areas in achieving these priorities is clearly identified in the following statements:

- *‘Making cities the economic drivers for development (by)...improving living conditions and service delivery in urban centers’.*
- *‘Prepare a comprehensive National Infrastructure Development Plan....investments that improve rural-urban linkages’*

The primary forum for the government and its international development partners is the Joint Coordination & Monitoring Board (JCMB) formed in 2006 under the co-chairmanship of the Ministry of Finance and UN/SRSG. The JCMB has Standing Committees for governance, security and socio-economic development, as well as a number of sectoral Working Groups, including one for the urban sector.

## **2 Urban demographic Issues and Challenges**

### **2.1 Managing rapid urbanization**

Over the past decade, Afghanistan has experienced almost a doubling of its urban population and (at an estimated 4%) has one of the highest rates of urbanization in the world. It is projected that the country’s urban population may triple to 24 million within 35 years, having profound consequences for the country’s development. It is estimated that almost 8.5 million Afghans, representing 24% of the total population, live in 34 provincial capitals (ranging in size from 3.5 million to 10,000 inhabitants) and 120 district municipalities. The ongoing urbanization is set against the backdrop of high shares of youth population, as over three-quarters of Afghans are under the age of 35 years and nearly 50 percent are under 15 years.

Urbanization, inevitably, offers opportunities for social development and economic growth; however, meeting the expectations of a fast-growing urban population for a secure and healthy environment in which to live and work presents significant challenges. The urban patterns of growth are not uniform at the regional and national levels;

Urbanization is not, however, uniform; Kabul is now a ‘primate city’, accounting for nearly half the country’s urban population. Allowing for natural population growth and rural-urban migration, urban centers will need to absorb at least 320,000 additional persons, annually. Nearly half of the 6 million Afghans in exile since 2002, have preferred to settle in urban areas upon their return to Afghanistan. The geographic preference for migration may be driven by a combination of factors including employment opportunities, access to basic services, food security, and social

preference that are further exacerbated by external shocks such as conflict and insecurity.

Despite considerable investments that have been made over the past decade in rural infrastructure and facilities, the process of migration is acknowledged to be largely irreversible. Afghanistan's ongoing urbanization is consistent with the global trends observed in many developing countries where urbanization is accompanied by long-term convergence of living standards between urban and rural areas as economic and social benefits spill over beyond urban boundaries.

The 'Realizing Self Reliance' policy paper issued by the National Unity Government in 2014 states that *'urbanization will need to be managed by reducing disparity between rural and urban areas and thereby controlling rural-to-urban migration'*. In order to realize this objective, it is important to understand the historical circumstances that shaped Afghanistan's urban centers. Through the 1980s, urban growth was anything but 'normal', as towns and cities were transformed into heavily-subsidized and defended enclaves for those displaced by conflict in rural areas. Systems of planning and management proved ineffective in guiding urban growth at the time, with the result that the bulk of development was informal. Added to this, many experienced Afghan professionals fled into exile after 1992, when factional fighting erupted in Kabul, further weakening the institutions responsible for urban development.

Uncontrolled development has posed a major challenge to efforts after 2002 to address accelerating urban growth, at a time when institutional responsibilities were unclear and professional capacity was limited. This hampered efforts to develop an appropriate urban strategy in response to the new realities, which in turn affected attempts to attract private investments or to secure external funding for the sector.

With every other Afghan likely to live in an urban center by 2050, more land, housing, infrastructure and basic services will be required in areas where living conditions may already be poor and there is intense competition for jobs. Surveys indicate that one in three urban households lives in poverty, while nine out of ten suffer 'conditions of physical and environmental deprivation', suggesting that urbanization is failing to deliver inclusive, safe, resilient and sustainable quality of life and livelihood opportunities for many Afghan citizens.

## 2.2 Managing rural-urban linkages

Three quarters of Afghans still live in rural areas, and most urban residents retain contacts with their village of origin. There is limited data on the nature and scale of the interactions between rural and urban communities, but agricultural or other rural produce seems to make a significant contribution to the economy of many urban households, especially the poor. Reciprocally, rural households tend also to benefit from remittances and goods sent by urban relatives or from investments in property in home villages.

There is little evidence to suggest that investments in basic infrastructure and services in rural areas slow down migration to urban centers, even where such investments may improve rural living conditions. Improvements in rural-urban connectivity, on the

other hand, undoubtedly facilitates exchange of goods and produce and, where security prevails, deepen the inter-dependence between urban and rural communities. In this context, it is appropriate to consider areas beyond the administrative boundaries of existing urban centres and plan on the basis of wider 'city regions' which consider movement of people and goods. These functional interdependencies must inform plans and investments in transport links and infrastructure that might affect the supply of food and other goods in both directions, as part of the process of economic development.

### 2.3 Addressing urban youth needs

Afghanistan enjoys one of the world's youngest populations, with median age as 18 years. Cities continue to attract thousands of young Afghans every year, with nearly a quarter of the urban population now estimated to be between 14 and 24 years old. This represents a significant opportunity for development and economic growth, but managing the expectations of the young will be critical. While access to formal education has increased considerably across the country in recent years, most young Afghans today leave school ill-prepared for employment, as they have not been able to develop the kinds of skills required by the market. Added to this, systems of urban governance tend to exclude the voices of the young, adding to the sense of frustration with high unemployment, poor urban services and standards of education, as well as insecurity.

Reduced levels of private investment in property and enterprises, along with a sharp reduction in the flow of external assistance and termination of aid projects, is having an impact on employment prospects for the young in urban areas. Although the official rate of unemployment in urban areas was reported to be 13.6% in 2011-12, it is likely to be much higher in reality. With most (male) school-leavers likely to be engaged in trade, services or construction sectors, it seems vital that opportunities for vocational training must be provided to enable them to realize their potential and earn a living, and to involve them in urban governance where appropriate. This may go some way towards reversing the current flow of young Afghans out of the country, putting themselves at the mercy of people-traffickers in order to travel to countries that seem to offer a better future, if they are able to succeed in claiming asylum.

### 2.4 Responding to the needs of the aged

Official surveys suggest that in 2011-12 only 3.3% of the urban population was over 65 years of age – somewhat higher than the national figure of 2.5%. Although to a lesser extent than rural areas, the limited mobility of the elderly is likely to constrain their access to public services, including health facilities. It is customary for Afghan families to look after aged members within the extended family, which can put a strain on the household income, especially among the urban poor. As a result, many old people live in destitution or are forced to beg on the streets. Even if resources were available, it is unlikely that old-age homes would be socially acceptable to many Afghans. The most effective way of ensuring the welfare of the elderly therefore is through improvements to the household income of urban families through opportunities for employment or appropriate economic activity.

## 2.5 Integrating gender in urban development

Urban life tends to enhance opportunities for some Afghan women to pursue education, professional development and employment. At 37%, the rate of female literacy in urban centers is significantly higher than the national average, reflecting the higher proportion of young Afghan women who attend school and receive tuition that is generally of a better standard than that in rural areas. Access to education is crucial if female professionals are to contribute effectively to processes of planning and urban management in their country. There are currently a disproportionately small number of women in senior professional positions, but the growing numbers of young women pursuing further education suggests that they may contribute more substantively in the future, given the opportunities.

With a labor force participation rate of only 13% for women in urban areas (compared to 19% nationally), life in towns and cities is clearly not easy for females. Surveys suggest that most urban working women are restricted to low-income employment or home-based production, which is often irregular and on average earns them only a fifth of the amount earned by male workers. Without access to the coping mechanisms that existed in their rural area of origin, this can compound the vulnerability of urban families, especially female-headed households without social networks to support them.

Many Afghan women are still denied a voice in how their neighbourhood is managed. Even more so than in rural villages, social pressure often inhibits the movement of women in the public realm in towns, limiting social interaction and denying them a role in collective decision-making. Despite their critical role in managing their household, women often have little say in the provision of services on which their families depend. Moreover, less than 1% of urban land is registered in the name of women. Given this evident exclusion, there is a need to provide appropriate opportunities for womens' participation in the management of urban neighborhoods, and in properly-remunerated employment for those who are able to work.

## 2.6 Repatriation of refugees

It is estimated that some 4.3 million Afghan refugees returned from Pakistan and Iran between 2002 and 2008. The majority of these returnees settled in urban areas, where they hoped to find employment and security, while having access to basic services. While several official 'returnee townships' were established and 'land allocation schemes' implemented by the Ministry of Repatriation and Reintegration (MORR) with support from international donors, not all of these were a success, given their remote location and lack of services and opportunities for employment. A high proportion of returnees, therefore, have integrated into existing urban neighborhoods, where surveys suggest that one in five have found shelter with relatives and almost a third presently rent private accommodation.

An important provision of the Ministry of Repatriation and Reintegration's Comprehensive Voluntary Repatriation and Reintegration Strategy is that returnees

should have access to secure land. Landlessness is a major constraint to reintegration, and is five times higher among this group as compared to the general population. Proposed legislation aims to streamline the allocation of land to ensure access within three months of return, and to facilitate basic services where feasible. A Commission for Migration has been assigned responsibility for ensuring appropriate measures for the resettlement of returnees in urban areas.

## 2.7 Challenges experienced/lessons learned

- Afghanistan is a predominately rural society, with 8 out of 30 million (24%) of its people now living in cities. This proportion is however changing fast, as the urban population is expected to double within the next 15 years.
- Urban growth has over the last decade been fueled by returnees, the internally displaced and rural-urban migrants in search of improved services, security and employment. This phenomenon is irreversible and is likely to continue in the future.
- The phenomenon of urbanization has neither been given due attention in recent years nor been appropriately integrated into national development strategies. Further research is needed into the phenomenon in order to inform appropriate responses.
- Afghanistan's urban centers have not necessarily proved to be the 'engines of growth' that were predicted in 2002. Significant investments that have been made in private (mainly residential) property have not been matched by investment in productive enterprises that could ensure the livelihoods of a growing urban population, many of whom are young.
- Failure to effectively guide urban growth represents a missed opportunity, as the uncontrolled development that has taken place will have negative long-term consequences, not least due to increased costs of extending infrastructure and providing services for informal settlements.
- Gender inequality is a major challenge in cities, where women face significant structural barriers to full social and economic participation in urban life.

## 3 Land and Urban Planning: Issues & challenges

The rapid urban growth that is taking place in Afghanistan represents a range of spatial responses to a complex set of administrative, legal, political and economic factors that shift with time. The experience of the last decade suggests that key institutions responsible for land management and planning have struggled to keep up with the pace of urban growth, as they simultaneously try to strengthen their internal capacity and introduce long-overdue legislative and administrative reforms.

### 3.1 Ensuring sustainable urban planning and design

Harnessing Afghanistan's rapid urban growth as a force for positive change requires advance strategic spatial planning at an appropriate **scale**, acceptance of incremental housing development/upgrading, and strong management of public and privately owned land. A legacy of highly-centralized planning systems has complicated efforts

to respond to urbanization in the country. Coupled with this, the absence of accurate data has hindered the kind of analysis that is critical to effective planning. As a consequence, the 'master plans' that existed dealt mainly with land use, and often bore little relation to the dynamic reality on the ground.

Significant progress has been made in recent years in ensuring that the urban planning process is more effective and responsive and in ensuring that young Afghan planning professionals are equipped with the skills necessary to address the challenge posed by rapid urban growth. Considerable work remains to be done, however, on developing appropriate planning standards and associated regulations, and ensuring that development controls are properly enforced. This is a complex undertaking that needs to take into account the interests of a range of actors, some of whose interests may in fact be in competition.

The Ministry of Urban Development Affairs (MUDA) retains overall responsibility for formulation of national policies, regulations and programs, setting service standards and developing urban plans. Local municipalities are responsible for implementing the urban plans and are overseen by the General Directorate for Municipal Affairs (GDMA) of the Independent Directorate for Local Government (IDLG). An Urban Working Group has been established in Kabul under the chairmanship of MUDA, comprising representatives of IDLG/GDMA, Kabul Municipality, ARAZI (Afghanistan Land Authority), AUWSSC (Afghanistan Urban Water Supply and Sanitation Corporation), DCDA (Kabul New City) and UN-Habitat.

### **3.2 Improving urban land management & addressing urban sprawl**

Land is critical to Afghanistan's development, both in urban and rural areas, and its management is a key test of governance. Legislation affecting land is complex, being based on religious (shari'a), customary and a long-standing civil code that, despite revisions to statutory laws, remain substantially as they were when introduced in the 1960s. Building on commitments set out in the 2007 National Land Policy, a Land Management Law was drafted in 2008 providing, among other issues, for rationalization of land administration and registration under the autonomous Afghanistan Land Authority (ARAZI) established in 2009.

Contrary to some assertions, urban land is not generally in short supply, but the process of making it available is not well-managed. The low urban densities (average of 8 dwelling units/ha) that are found in Afghan towns and cities is due in part to vacant land being held for speculative purposes. On average over one-third of the built-up area in the major cities is vacant, and Kabul has sufficient open land to accommodate another 1.5 million people. There is considerable potential therefore for significant increases in urban density through development of vacant land to accommodate future growth. The process of urban land readjustment is under judicial process, which will facilitate urban land acquisition and ensure compensation. That a significant proportion of the urban development that has taken place in towns and cities across Afghanistan over the past decade is either on unregistered or illegally-occupied (public and private) land illustrates the failure of the prevailing systems for land management. The cost and complexity of procedures for the legal acquisition of land tends to deter owners from registering purchases or transfers, thus denying municipalities revenue from

transfer taxes. In these circumstances, there is an urgent need for streamlined processes of land registration, along with selective regularization of property on illegally-occupied land, as part of a comprehensive urban development strategy.

With urban land now a highly valuable commodity, ensuring access to affordable serviced plots presents a range of challenges. Experience from past initiatives that aimed to make available 'low cost' plots to poor urban households suggests that the levels of subsidy required makes any such program unaffordable. Moreover, without strict enforcement, there is a risk that such an approach feeds speculation as legitimate beneficiaries may sell on subsidized plots at market rates – thereby defeating the purpose of the exercise.

In the absence of effective enforcement, urban sprawl continues unabated in and around all Afghan cities. The extent of this is evident in the municipal area of Kabul, which grew more than five-fold between 1992 and 2005, while the footprint of Herat more than trebled in the past decade. The approval in 2014 of the Kabul Metropolitan Growth Plan (replacing the 1978 Master Plan which foresaw only 2 million inhabitants) along with a Strategic Master Plan for Herat, reviews by MUDA of master-plans for Jalalabad, Mazar-i-Sharif and Kunduz and new 'strategic' and 'development' plans for 65 district centers go some way towards checking sprawl, if development controls are properly enforced. In addition, pilot Strategic Municipal Action Planning exercises have taken place in several secondary cities.

### **3.3 Enhancing urban and peri-urban food production**

Most Afghan cities are surrounded by extensive agricultural farms that have historically helped feed the urban population. Urban sprawl has in recent years covered these areas, and thereby disrupted the supply of certain types of fresh produce and affected livelihoods of those who depend on peri-urban agriculture. It is important to take account of this interdependence in planning the growth of towns and cities, by protecting peri-urban agriculture where feasible.

Many of the migrants who have resettled in Afghan towns and cities have put their horticultural skills to use in small-scale agriculture as a means of growing food for household consumption or sale. Urban agriculture accounts on average for 34% of land use in the 34 provincial centres, where it currently takes up more land than residential use. This illustrates the significant contribution that urban agriculture makes to household livelihoods and, indirectly, to the wider urban economy. If appropriate ways could be found to sustain such production, it has the potential to improve household nutrition and generate employment.

### **3.4 Addressing urban mobility challenges**

Transport is a key element in the effective functioning of Afghanistan's urban centres. In some urban centres, roads and associated infrastructure (bridges, culverts and drains) were poorly maintained or damaged during the conflict. While there have been some investments in urban roads in the larger cities, the development of road infrastructure has not kept pace with the pace of growth, especially in the fast-expanding urban peripheries. As a consequence, with a huge growth in the number of vehicles (from 10 per 1,000 of population in 2002 to around 35 per 1,000 inhabitants

in 2012) traffic congestion is a major problem in all major cities. In a context where a high proportion (33% in Kabul and up to 60% in Herat) of urban population walk rather than using vehicular transport, it is vital that attention be paid to investments in facilities for cyclists and sidewalks in towns and cities.

Surveys suggest that a significant proportion of urban household income is spent on public transport, mainly on private mini-buses that ply the streets of all Afghan towns and cities, and are often overcrowded. With parastatal public transport no longer functioning, there is a need to more effectively regulate private operators to ensure that the transport is both affordable and safe for the general public.

### 3.5 Improving technical capacity to plan and manage cities

The lack of technical capacity to plan and manage urban centers continues to constrain the work of institutions responsible for urban development. Added to this, lack of clarity as to their respective roles and responsibilities further undermines planned urban development. The overlaps in institutional mandates are as follows:

- **The Ministry of Urban Development Affairs (MUDA)** is responsible for the formulation of national policies, regulations and programs, setting service standards and preparing strategic and development plans for provincial and district municipalities.
- **The Independent Directorate for Local Government (IDLG)** is, under the provisions of the 2010 Sub-National Governance Policy, responsible through its General Directorate for Municipal Affairs (GDMA) for oversight of all aspects of operation of 33 provincial and 120 district municipalities, including implementation of strategic/development plans prepared by MUDA.
- **Kabul Municipality** is responsible for the management of the urban area of the capital, and the implementation of the 'growth plan'.
- **Arazi (Afghanistan Land Authority)** is responsible for developing procedures, inventorying and overseeing the leasing of government-owned land.
- **Afghanistan Urban Water Supply and Sanitation Corporation (AUWSSC)** is a parastatal corporation responsible for urban water supplies.
- **Da Afghanistan Breshna Sherkat (DABS)** is a parastatal corporation responsible for the provision of electricity nationally, including urban centers.

A number of externally-funded initiatives have in recent years provided technical assistance aimed at strengthening capacity within these institutions, as follows:

**Community-based Municipal Support Programme (CB-MSP)**, implemented by UN-Habitat with IDLG/GDMA and Kabul Municipality) provided support between 2013-15 to municipalities in Kabul, Herat, Mazar i Sharif, Qandahar and Jalalabad. In addition to policy support and organizational development, the programme helped establish community development councils and gozar assemblies, contributed to improved living conditions for 350,000 people and the registration of 33,000 urban properties, which in turn generated revenue for upgrading informal settlements.

**Kabul Solidarity Programme (KSP)**, implemented by UN-Habitat) provides support to Kabul Municipality in strengthening capacity to plan and manage community-implemented urban upgrading works in the capital.

**Afghanistan Sub-National Governance Programme** (ASGP, implemented by UNDP), through its Municipal Component, supported IDLG/GDMA to establish sub/district councils in 9 provincial capitals.

**Regional Afghan Municipalities Program for Urban Populations** (RAMP-UP, funded by USAID and implemented by IDLG/GDMA) provided technical assistance between 2011-14 to provincial municipalities to increase their management capacity, implement policy, improve service delivery and enhance revenue-generation.

**Strong Hubs for Afghan Hope and Resilience** (SHAHAR, funded by USAID) aims to support IDLG/GDMA to enhance the work of provincial mayors and Municipal Advisory Boards, The focus is on improved financial management, enhanced revenue-generation and support in implementing land-use plans prepared by MUDA.

**The Future of Afghan Cities** (FoAC) programme launched in 2015 by MoUDA, GDMA, Kabul Municipality, Arazi and UN-Habitat sets out a framework for an Urban National Priority Programme that aims to strengthen urban governance institutions, ensure adequate housing and basic services and harness the urban economy and infrastructure. National Urban Solidarity Programme (NUSP) under this that combines legal and administrative reforms with the provision of block-grants to improve infrastructure and (together with community contributions) foster economic development at the community level.

### 3.6 Challenges experienced/lessons learned in Land and Urban Planning

- Lack of clarity about responsibilities and relationships between central government, municipalities, line departments, and service providers has affected the planning process and management of urban development, and resulted in competition and duplication of efforts, as well as lack of coordination at national and city levels.
- Transformation of systems of planning and urban management will require a new generation of Afghan professionals with appropriate skills and experience to enable them to address the challenges facing them. This will require significant investments in training in a variety of disciplines not only among government employees, but also the private sector and academics.
- A National Urban Development Strategy is urgently required to provide a coherent policy framework for revision of existing laws and regulations and reform of planning and management practices to ensure that they are more responsive, rigorous and inclusive.
- Collection and dissemination of accurate data, information and research findings will be vital as a resource for policy-makers and practitioners.
- Important lessons could be learned from other countries in the region that have undergone similar processes of urbanization and have appropriate policies, laws and regulations in place that could serve as a reference.
- Informal development has led to spatially inefficient patterns of land use with housing built on unstable hillsides, flood-prone areas and productive agricultural land. Illegal squatting on government and private land by displaced families,

returnees and rural-urban migrants has resulted in ad-hoc development that will be difficult to reverse.

- The importance of urban agriculture should be acknowledged in official policy and reflected in regulations and procedures.

## **4 Environment & Urbanization: Issues & challenges**

Rapid urbanization brings with it many environmental challenges and, in the case of Afghanistan, has compounded the damage caused by decades of conflict in both rural and urban areas. The experience of the past decade of uncontrolled urban growth, during which environmental conditions for urban residents have significantly worsened, serves to highlight the risks of ignoring the urban environment which, if managed properly, can make a significant contribution to development.

Primary responsibility for monitoring and regulating environmental issues lies with the National Environmental Protection Agency (NEPA) whose mandate is to ensure implementation of the 2007 Law on the Environment and prepare biennial reports on the state of the environment. There is a need to ensure that NEPA's environmental 'action plans' are coordinated with municipalities (who have limited capacity to monitor, let alone enforce) and are appropriately aligned with urban plans prepared by MUDA.

### **4.1 Addressing climate change**

Recent climate change modelling for Afghanistan, projects a temperature increases of at least 1.1 degrees by 2050, while mean precipitation for the same period indicates negligible change. However there are significant regional variations as well as differences between lowlands and higher altitude areas that cover a large part of the country. Among the cities that may see the highest increase in temperature are Pul-i-Khumri, Taloqan and Aybak. As well as possible water shortages, such increases may affect patterns of precipitation and result in flooding and landslides or heat-waves. There is a need for further scientific research on changes in the climate across Afghanistan so as to enable appropriate measures to be taken to address this challenge.

Among the most dramatic evidence of environmental change has been atmospheric pollution in urban areas (see 5.5 below), which undoubtedly adds to the global phenomenon of climate change, with serious implications on public health, especially among the most vulnerable urban households. Urban sprawl over peri-urban agricultural land and rain-fed grazing areas could also impact local environmental conditions, as evident from more frequent dust-storms recorded in recent years in many towns and cities. Elsewhere, the loss of ground cover has resulted in more pronounced seasonal flooding, that poses a risk to towns and cities that lie close to major rivers, and to landslides. These natural disasters not only pose direct threats to life and property, but also adversely affect food security and water supplies.

### **4.2 Disaster risk reduction**

Failure to effectively address natural disaster risks will affect the sustainability of recent urban growth in a country that experiences periodic earthquakes, landslides, floods and drought. Situated closest to the most active seismic faults, the north-east region seems to be the most vulnerable to earthquakes, with Takhar and Badakhshan witnessing significant loss of life and property in recent years. While rural areas are the most prone to earthquakes, urban areas are also vulnerable given the poor construction standards that prevail and the lack of proper oversight of new development, including multi-story buildings.

The Afghan National Disaster Management Authority (ANDMA) is responsible for coordinating and managing all aspects of disaster mitigation, preparedness and response in the country. Its 2010 National Disaster Preparedness Plan sets out the primary hazards, vulnerability, infrastructure availability, institutional capacities and roles and responsibilities.

It will be important to include a component of risk reduction in any national urban strategy, as well as in urban plans, to enable urban managers to make informed choices about the nature and location of future growth within urban settlements as well as appropriate construction standards and control mechanisms.

#### **4.3 Reducing traffic congestion**

While there have been significant investments in urban roads, this has done little to reduce congestion in the absence of effective controls on the registration of new vehicles. Added to this, closure of vital routes through the center of major cities (Kabul is but one example) for reasons of security and the poor management of traffic has contributed to traffic congestion in many cases. This was highlighted during the research phase of revision of the Kabul Metropolitan Plan, when systematic traffic surveys were undertaken. Further monitoring and studies could help in assessing the economic and health impacts of traffic congestion in major cities.

#### **4.4 Air pollution**

It is estimated that 60% of the urban population in Afghan cities is exposed to elevated concentrations of particulate matter, nitrous oxides and sulphur dioxide as a result of vehicle and generator emissions, as well as domestic heating and uncontrolled emissions from brick kilns and other sources. The operation of small-scale industry and workshops in crowded residential areas further affects air quality, as does the loss of open green spaces in many areas. It is generally the poorest members of the urban population who bear the brunt of continuing environmental degradation, which might affect their ability to subsist in the city.

#### **4.5 Challenges experienced/lessons learned in Urban Environment**

- Failure to take effective measures to protect the environment will affect the sustainability of urban development in Afghanistan. Lack of controls on digging of deep wells already affects the urban water table, while worsening atmospheric pollution is aggravating health problems among urban communities and affecting productivity.

- Growing cities might in the future compete for water resources with planned extractive industries, whose consumption may in turn affect agricultural production in adjoining areas.
- Public green space accounts for less than 2% of land in all but three Afghan cities. Access to green space brings multiple benefits to the urban population, so appropriate provisions should be made in future planning.
- The population of Afghanistan's town and cities are highly susceptible to the effects of natural disasters, with up to 500,000 people living in zones of high seismic activity and many others settled on land prone to flooding or at risk from landslides. Disaster mitigation should therefore be an integral part of planning and urban management.

## 5 Urban Governance & Legislation: Issues & challenges

### 5.1 Urban Governance

The management of Afghanistan's fast-growing towns and cities remains a major challenge. The pace of urbanization over the past decade has put huge pressure on the institutions responsible for managing the urban realm, while the regulatory framework within which civil servants work is not appropriate for the new urban reality. While there have been a number of significant reforms in how municipalities operate, as part of a wider moves aimed at strengthening sub-national governance, a great deal more needs to be done. The sections below outline some of the key achievements in improving urban governance and the critical challenges that still need to be addressed.

### 5.2 Improving urban legislation

Urban development in Afghanistan takes place in a legal context that operates at various levels:

- The **Afghan Constitution** (2004) states that urban management is the responsibility of municipalities and that mayors should be 'elected through free, general, secret and direct elections'. This provision is yet to be enacted and mayors continue to be appointed.
- The **Municipal Law** (2000) defines municipalities as public, legal and juridical entities but is contrary to the (subsequent) Afghan Constitution and SNGP. It has therefore been amended and is awaiting approval. The new law foresees a decentralized form of urban government, headed by elected mayors working in consultation with Municipal Councils comprising elected representatives of civil society.
- The **Sub-National Governance Policy** (2010) provides a framework for improved urban management through municipalities that 'shall provide for structures and mechanisms for maximum public participation in municipal affairs...local communities shall designate their representatives who shall be accredited under appropriate rules and regulations and by competent

- government agencies’.
- The **National Land Policy** (2007) aims to ‘provide every Afghan access to land, promote and ensure a secure land tenure system, encourage the optimal use of land resources (and) ensure that land markets are efficient, equitable, environmentally sound and sustainable to improve productivity and alleviate poverty’.
  - The **Land Management Law** (2008) sets out procedures for obtaining title deeds, settlement/ownership of land, restitution of appropriated land, transfers and alterations, leasing etc and sets out civil and criminal penalties in cases of contravention.
  - An **Informal Settlements Upgrading Policy** covering infrastructure, regularization and tenure security has been drafted by key stakeholders.
  - A **National Policy on Internally Displaced Persons** (2013) provides a framework for achieving local integration, including access to land and adequate housing.

Despite the above, there remains a body of legislation and regulations (including outdated planning and building codes) that hinder development. For example, the mismatch between the actual footprint of towns and cities, and the (usually much smaller) official municipal boundaries frustrates efforts by planners and urban managers to address the realities on the ground or provide for the future growth. The political implications of re-delineation of these boundaries – that will define the constituencies from which mayors will be elected – should not stand in the way of the recognition of de facto urban areas and re-alignment of municipal boundaries accordingly.

Perhaps the single most significant legislative contribution, however, would be the regularization of ‘informal’ urban property. At present, only 10% of urban households have secure tenure on the property they inhabit as they have not followed the legal procedures for transfer - that are widely acknowledged to be inefficient and prone to corruption. A number of pilot initiatives have issued interim titles but, as this process has not been adopted in law, it leaves the legal status of owners unclear. Measures therefore need to be developed for assessing the status of informal property and, in cases where it meets certain criteria, to issue legal documents that guarantee tenure. As well as enabling property-owners to invest in their property with greater confidence, this has the potential to significantly increase the municipal tax-base and thereby increase investments in urban services and infrastructure.

### 5.3 Decentralization and strengthening local authorities

Urban governance in Afghanistan has undergone significant changes in the past decade, as part of reforms introduced through a Sub-National Governance Policy (SNGP) approved in 2010. Responsibility for the management of 33 provincial capitals and more than 150 urban municipalities now lies with the General Directorate of Municipal Affairs (GDMA, established in 2007) of the Independent Directorate of Local Government (IDLG).

The SNGP recognizes ‘public participation as a right as well as an obligation’ while acknowledging the contribution to be made by urban communities, who in many cases have developed informal systems of governance. Among its other provisions, the

policy aims to transform municipalities from a weak de-concentrated tier of the public sector that is reliant on central authority to a devolved system of governance that responds to local needs. While municipal elections (as stipulated in the Afghan Constitution) are yet to be held, steps have been taken by IDLG to make the appointment of mayors more competitive and consultative, involving Municipal Advisory Boards, local civil servants and civil society.

The effectiveness of municipalities is closely linked to the skills and commitment of staff, and it has in many cases proved difficult to identify and recruit qualified professionals, partly because of the low levels of remuneration. This is evident in the fact that fewer than one in ten municipal staff have a degree, while nearly one in five positions remains vacant. Parallel systems of externally funded experts and advisers have compounded this problem and undermined efforts to ensure that municipalities become sustainable institutions. The implementation of merit-based Performance Administration Reform (PAR) in municipalities has begun to enable suitably qualified staff to be matched to appropriate posts. Despite significant investments in training existing staff, the transformation of entrenched top-down practices to a more consultative approach has in some cases proved to be difficult.

Efforts have also been made to ensure a greater degree of transparency and accountability through the formation of Municipal Advisory Boards in 30 provincial centres. While not yet legally recognized, elected Community Development Councils (CDCs) and Gozar Assemblies in four provincial capitals (Herat, Mazar-i-Sharif, Kandahar and Jalalabad) help foster a more participatory form of urban governance by contributing to neighborhood planning exercises and facilitating the management of public services and facilities, which in some cases are part-funded from community contributions. Progress has also been made on realizing a 3-year implementation strategy (prepared in 2010) but certain reforms are contingent on legislative changes, including a new Municipal Law.

#### **5.4 Improving participation and human rights in urban development**

The 2010 Sub-National Governance Policy recognizes 'public participation as right as well as an obligation' and states that 'women and men will be recognized as key actors in their own development, rather than passive recipients of commodities and services. Participation will be recognized as both a means and a goal'. As part of the realization of this goal, SNGP provides for the election of Municipal Councils to contribute to and oversee urban development, while particular attention is paid by GDMA to encourage participation as a way of achieving equitable and inclusive urban development. This has been operationalized through, among other initiatives, the creation of Citizen Service Centres to process requests from members of the public have been opened in 9 municipalities.

#### **5.5 Enhancing urban safety and security**

Most residents of Afghan cities continue to face constant insecurity, as the police struggle to address growing criminality and urban centers become targets of attacks

by anti-government elements. Recent UN surveys in 2015 suggest a significant increase in Afghan civilians losing their lives as a result of the ongoing conflict.

## 5.6 Improving social inclusion and equity

Despite the hopes of migrants and returnees living in urban centres, the social and economic benefits that they seek are presently lacking. Afghan cities present a set of dynamics that can compound the vulnerability of the poor, who have fewer coping mechanisms, are vulnerable to food insecurity and have less social capital and in many cases limited support networks. This is borne out by the fact that nearly one-third of the urban population is estimated to live below the official poverty line.

Urban land is increasingly at a premium, reducing opportunities for squatting, which was previously a key survival strategy, especially for migrants. Affordable rental housing is usually of a poor standard, with only rudimentary services and often on the outskirts where infrastructure does not reach; public health and education facilities, where they exist, are oversubscribed; employment opportunities are limited, with many households reliant on casual wage labor for a subsistence livelihood that may barely meet basic needs. In the face of the physical and economic exclusion experienced by a growing urban 'underclass', they have little option but to seek assistance, limit consumption, turn to crime or migrate; as with many others, the promise of a decent quality of life in the city is proving to be a mirage.

Even the three-quarters of the urban population who have built homes but do not have security of tenure feel a sense of exclusion. Most neighborhoods where poor communities settle suffer from very high densities and poor living conditions. Surveys in these areas in Kabul indicate that approximately 9 of 10 families can occupy only one or two rooms, with densities of up to 400 people per hectare, as compared to that of around 150 per hectare elsewhere. If this highly uneven pattern of growth continues, it has the potential to threaten social cohesion. Therefore, overcrowding in urban areas must be acknowledged and actions must be undertaken to address a growing sense of marginalization. Future policy needs to take account of the expectations of mobile new constituencies that have emerged through the process of rapid urbanization over the past decade, and who at the very least expect access to services and livelihood opportunities in the city.

In a context where less than 10% of municipal staff are female, steps have been taken by GDMA to ensure participation of women and young people in urban management. Guidelines have been developed and gender focal points appointed and trained in 20 provincial municipalities across the country. This will bring municipalities closer to fulfilling the Millennium Development Goal of 30% female staff by 2020, while enabling them to effectively engage with their female constituents.

## 5.7 Challenges experienced/lessons learned in Urban Governance and Legislation

- There are significant gaps in the legal and regulatory framework that governs urban development, and no National Urban Strategy to guide the urbanization process and harness it as a driver of development.

- Recent experience of reform in municipal management demonstrates what is possible, with Municipal Advisory Boards established in over 30 cities while Citizen Service Centres being established. There remains however a significant amount of work to be done that will require sustained political will, further resources and external technical assistance.
- Limited institutional capacity continues to affect the performance of key entities and needs sustained investments in organizational development and administrative reform if they are to effectively address the challenges that face them.
- All members of the urban population have the potential to contribute to the process of urban development through urban Community Development Councils and Gozar Assemblies. This participatory approach should be institutionalized and expanded, which requires an appropriate legal and institutional framework.
- Current municipal boundaries pose a number of issues: they are not known to some stakeholders; they are not consistent in approach (some are too large, some too small); they often overlap with district municipalities; they can result in inconsistent collection of data and complicate the monitoring of urban/rural dynamics.
- The role of civil society in contributing to formulation of urban policies, as well as facilitating/monitoring the implementation of urban initiatives and holding institutions/power-holders to account, should be formalized.

## 6 Urban Economy: Issues & challenges

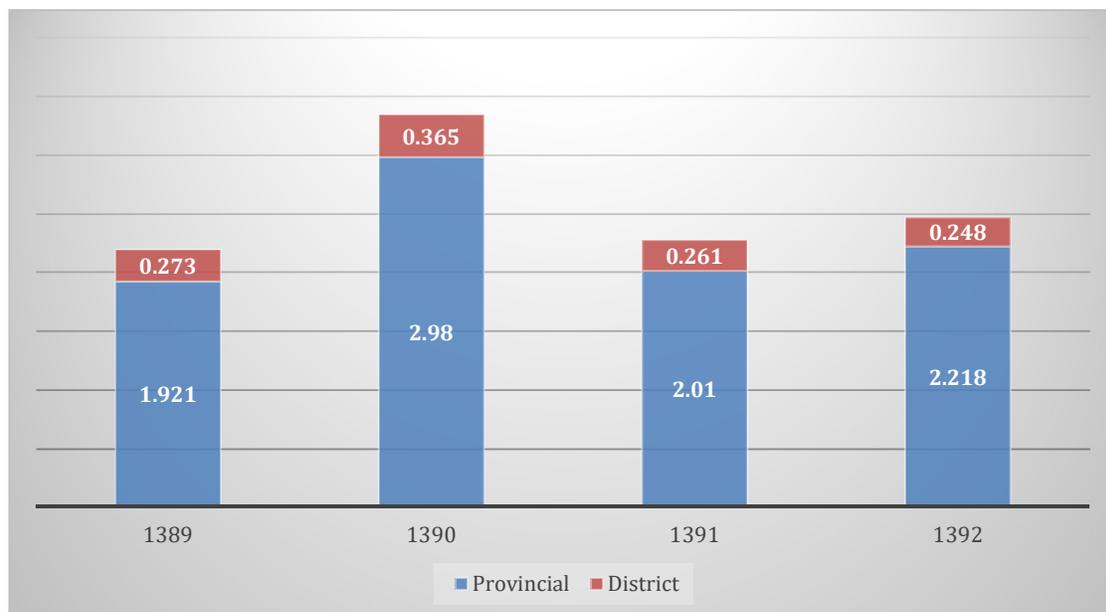
While the Afghan economy has historically depended on agriculture, activities that are centred in urban areas (wholesale/retail trade, manufacturing, services, transport and construction) now comprise roughly three-quarters of total GDP in the country. Urban centres, therefore, play an increasingly important role in the national economy.

### 6.1 Improving municipal/local finance

Municipalities in Afghanistan do not receive funds or loans from central government and are among the few institutions authorized by law to raise revenue. Aside from property sales, their revenue is derived from some 50 levies on property (rental and transfer), city services, businesses (licensing and operation), transport, as well as fines. Sale or leasing of land and property represents the single largest source of municipal revenue, and some of this reportedly takes place outside of official municipal finance records. Average revenue collected per dwelling is \$96 over 34 cities, but there is a wide discrepancy in the amounts that municipalities raise from levies, with nearly three-quarters of national municipal revenue (just over \$35 million or 2 billion Afs in 2011-13) raised by only 8 cities. There is a direct link between levels of revenue and population, but also significant variations between smaller cities as a result of lack of capacity to undertake effective financial planning and administration.

Budget execution remains a major challenge for many municipalities, few of which currently make full use of their planned annual expenditure budgets, which tend to be over-ambitious. Although revenue is reported to have increased significantly in recent years, it is generally insufficient to meet municipal operational costs (salaries account on average for 12% of municipal expenditure) let alone to fund infrastructure or services. Kabul Municipality reportedly spends \$117 per dwelling, while figures for Herat are \$107 and \$91 in Kandahar.

It is in this context that efforts to enhance the ability of municipalities to raise revenue continue. Significant progress has been made through a range of pilot revenue-generation initiatives (implemented with technical assistance from international partners) that entail the regularization of informal property as a means of extending the municipal resource-base. The replication of this approach on a wider scale will be a challenge, but has the potential to foster trust between citizens and local government, where it delivers.



*Revenue generated by provincial/district municipalities 1389-92 (billion Afs)*

## 6.2 Strengthening and improving access to housing finance

With an estimated \$2.5 billion of fixed private capital invested in informal housing (excluding land value) alone in Kabul by 2008, access to finance is clearly not a primary constraint to urban development in the capital or other Afghan cities. In the absence of data, it is impossible to state how private development is financed, but social networks are thought to play a major role. Mortgages are available from private banks, but the take-up on these is limited due to the relatively high levels of interest charged.

## 6.3 Supporting local economic development

With limited private investment in manufacturing, urban economic activity primarily revolves around trade, services (including transport) and construction, which accounted for \$1.2 billion (or 37% of the national total) of private investments by registered companies between 2002 and 2011. The service sector now comprises over half of GDP (52%), whilst manufacturing comprises 10%, and construction 8%. However, these sectors have been shrinking in recent years due to the international

military drawdown and lack of investor confidence. A significant proportion of the economic activity that takes place in urban areas remains informal, and is therefore difficult to quantify. Investments in informal residential property in Kabul alone up to 2008 is estimated to be of the value of some \$2.5 billion, suggesting that there is no shortage of private capital.

The presence of foreign military contingents and aid agencies had contributed significantly to employment but, with this now diminishing, it will be important to try to forestall the impact on the urban economy. Households that derive their primary livelihood from casual day labour are probably the most directly affected, rendering a third of the urban population who now live in poverty more vulnerable, struggling to meet the rising cost of urban living or pay for basic services, health care or education. Also affected will be those who have managed to get a foot on the urban ladder by acquiring land and constructing a home, and who depend on a continued pace of economic activity to pay for this and other needs.

Worsening security suggests that there is little prospect of a significant scaling-up of public investments to mitigate against the impact of reduced aid or private investments. A significant proportion of small and medium-scale enterprises are in urban centres, but these contribute less than 10% of GDP and are confined mainly to subsistence and micro-business.

#### **6.4 Creating decent jobs and livelihoods**

Generation of employment is fundamental to sustainable urban development. It is estimated that there are nearly 2 million members of the urban population who are presently unemployed. At least 100,000 additional Afghans enter the urban labor market annually and, given the economic slowdown and reduction of aid flows, will face significant challenges in finding jobs. Youth unemployment is estimated to be as high as 16% for males and 23% for females. In many cases, those seeking work lack the requisite skills demanded by the market, with an estimated 40% of the workforce unskilled. Of those who find a job, 9 out of 10 depend on casual employment in the informal sector, which research shows is closely correlated with a household being poor. The 12.8% of urban households who derive a livelihood from daily labour in construction (65% of which takes place in Kabul) tend to be confined to an existence of subsistence that rarely offers the prospect of gaining useful skills and can therefore be classified as “vulnerable employment.” Nearly a third of urban households are classified as poor, with rates higher among those reliant on casual labour (44%) or transfers as main income source, as compared to those who derive a primary livelihood from trade, craft or transport (37%).

Moreover, nearly half of those who have work are ‘underemployed’ (i.e. work on average less than 35 hours per week) and therefore are likely to be below poverty line like their rural counterparts, according to research. As stated in the 2007/8 NRVA survey, ‘the unemployment rate by itself does not shed light on the quality of jobs – that is the extent to which jobs are productive and provide workers with sufficient and secure incomes’. High indebtedness, combined with income fluctuation and job insecurity, places many urban households in ‘poverty trap’ from which it may be hard to escape.

## 6.5 Integration of the urban economy into national development policy

The 2008 Afghan National Development Strategy (ANDS) remains the overarching national development framework that was supplemented in 2014 by the policy statement 'Realizing Self Reliance'. ANDS asserts that 'cities contribute to economic growth through their high productivity as a result of economies of scale and agglomeration, and by providing opportunities for the accumulation of capital, investment, trade and production...(and) creation of employment opportunities...'. Highlighting the contribution that 'effective management of urbanization' could make in the process of recovery, ANDS identifies strengthening of municipal capacity, improved institutional coordination, increased access to basic urban services, affordable shelter, finance and serviced land, along with regularization of informal settlements as key priorities for the sector. Identifying the collection of revenue to fund urban services as a key challenge, ANDS also envisages increased private sector involvement in service delivery.

ANDS draws on a National Urban Programme (NUP) formulated in 2009 and envisages strengthening of municipal capacity and revenue-generation, improved institutional coordination, increased access to basic urban services, affordable shelter, finance and serviced land, along with regularization of informal settlements and development of a new city in Deh-Sabz, north east of Kabul. The subsequent Urban Management Support Programme (UMSP) was formulated as a National Priority Program (NPP) in 2012, with the aim of establishing the foundations for an effective urban management, formulating a National Urban Development Policy, investing in urban infrastructure and promoting a new Afghan capital at DehSabz, north east of Kabul. The UMSP is closely linked to another NPP, the National Programme for Local Governance (NPLG) whose focus is on service delivery and the institutional aspects of municipal governance. In addition to these NPPs, a Resource Corridor Initiative launched in 2012 foresees a component of urban development as part of anticipated 'spillovers (from extractive industries, including copper and iron ore) to other economic activities'.

In late 2014, the National Unity Government identified urban development as one of the key factors in its reform agenda '*Realising Self-Reliance: Reform and Renewed Partnership*'. This foresees greater government efficiency and effectiveness in order to make Afghan cities the economic drivers for development. Among other measures, this is foreseen to be achieved through improved living conditions and service delivery in urban centres, the cost of which will be met primarily from locally-generated revenue. The establishment of metropolitan development authorities and associated funds to allow for 'coordinated development planning and professionalized management' is also envisaged.

## 6.6 Future challenges/issues in Urban Economy

- Municipalities are the only Afghan sub-national governance entity that can raise and spend own-source revenues. From 2011-13, the 34 provincial capitals collected an average of \$95 million per year, with the five largest cities contributing the vast majority. This suggests that municipalities have the potential to move towards greater operational self-reliance.

- Significant progress has been made in recent years through pilot revenue-generation initiatives (implemented with technical assistance from international partners) based on regularization of informal property. The replication of this approach on a wider scale has the potential to extend the municipal resource-base.
- Unemployment and underemployment in urban centers is a serious and growing challenge that needs urgent attention. Eight out of ten urban households have only one income earner or none at all.
- Afghanistan's large cities can be key drivers of economic growth given their agglomeration economies, but this will depend on significantly increased investment in urban economic infrastructure (industrial parks, roads, electricity, etc.), availability of skilled workers, and improved governance and land management to promote private sector confidence and investment.

## **7 Housing and basic services: Issues & challenges**

### **7.1 Slum upgrading and prevention**

Official surveys indicate that up to 93 % of urban households live in conditions of physical and environmental deprivation, which gives some indication of the scale of the needs for upgrading in urban centers across the country. There have been a number of upgrading initiatives in major cities over the past decade, including those funded by JICA, USAID the World Bank.

### **7.2 Improving access to adequate housing**

The legacy of damage inflicted during the 1990s on residential areas in some Afghan towns and cities can be seen to this day. While many home-owners were able to partially re-build their property, some still stand in ruins. In Kabul, the primary production unit for prefabricated elements for apartment blocks was laid waste in the fighting, along with many other factories that had produced construction materials. There have subsequently been significant investments in private housing in all urban centres of the country, but the damage inflicted on material production enterprises had an impact on the government's ability to construct affordable homes for low-income groups, as they had done in the past.

The vast majority of the current urban housing stock in the country is privately-owned and comprises irregular detached or semi-detached units of varying quality. While the proliferation of this low-rise form of housing, especially in an unplanned manner, presents a challenge for planners and urban managers, it demonstrates a high degree of self-reliance, as most of these units are self-built with traditional materials. This raises issues of safety, especially in areas prone to seismic activity. Same concerns apply to the growing number of private apartment blocks, which now outnumber the government-built prefabricated concrete units that were built after the 1960s in some cities.

The scale of direct government involvement in recent years in the provision of urban housing has been limited to some 25 schemes, mainly for civil servants. These schemes entail significant levels of subsidy and, in a context where resources are

limited, cannot be replicated on any meaningful scale. In response to growing demand for housing, municipalities across the country have sanctioned more than 150 private townships.

It seems important that policies and strategies addressing urban housing should build on the willingness of private investors to develop urban townships while identifying measures to increase access to affordable finance, appropriate building materials and construction advice for the majority who build for themselves. Account should also be taken of the growing extent of contractor-built speculative residential development, and measures devised to ensure minimum standards of construction and servicing.

### **7.3 Ensuring sustainable access to safe drinking water**

Together with conflict-related damage, decades of under-investment in infrastructure and public services continue to affect urban development. Residents of urban centers suffer from low levels of service coverage, despite significant investments having been made in certain cities. This is in part due to official policies which tend to preclude public investments in areas outside of the 'master-plan', which effectively excludes the urban majority and results in an uneven pattern of investment that has partially been redressed by (UN and NGO-supported) community-managed upgrading initiatives aimed at improving living conditions in some informal settlements. It remains to be seen however whether these community-based approaches can be made compatible with municipal-level programs, as long as the status of informal settlements remains unresolved.

Several of Afghanistan's major urban centers face absolute water shortages as consumption increases. The problem is as much one of sources as use. Surveys highlight the limits on availability of water in the Kabul river basin, where urban growth and increased levels of use (projected to increase six-fold in Kabul by 2050) places new stresses on finite resources that, in some urban areas, may be exhausted by 2057 – giving some idea of the gravity of the situation.

Only 17 out of the 34 provincial centers have piped water networks. Official surveys indicate that 58% of urban households have access to water for domestic purposes by means of hand pumps, wells, springs or the piped system. There are however significant variations in these figures, with only 39% of the poorest fifth of urban households having access – well below the 80% MDG target for water supplies. The ANDS set a target of 50% coverage of piped water in Kabul and 30% in other cities, but it was estimated in 2011 that as few as one in three households in Kabul have access to safe drinking water through the piped system. In this situation, the majority of urban households continue to depend on wells that are at risk of contamination. While residents in poorer areas often rely on public standpipes for their domestic needs, the numbers of these (unmetered) outlets are limited. It is common to see urban residents (usually women or children) carrying water in plastic containers to their homes.

Public-private partnerships are often portrayed as a way of enhancing the delivery of urban services. Apart from micro-enterprises that transport water or link homes up to a generator, the scale of private investment in services has been negligible in Afghanistan to date, in part due to a regulatory framework renders this commercially

unviable. The ‘corporatization’ of AUWSSC (Afghanistan Urban Water Supply and Sanitation Corporation) has gone some way towards enabling what had been state-owned providers of (heavily-subsidized) services to be more efficient and move towards a degree of sustainability.

Since 2002, there have been significant externally-funded investments (by KfW, World Bank, USAID and the Asian Development Bank, among others) in rehabilitation and extension of urban water supply networks and development of technical and managerial capacity of AUWSSC. This has gone some way towards increasing access and improving the quality of piped water, as well as moving towards greater sustainability, but demand continues to exceed supply in most urban centres.

#### **7.4 Ensuring sustainable access to basic sanitation & drainage**

No Afghan city has piped sewerage, although there are a number of stand-alone systems operational in institutions and private urban townships in Kabul and Mazar i Sharif. A Sewerage Master Plan for parts of central Kabul, including an area (Macrorayon) served by a biological treatment system installed in the 1960s but subsequently damaged during conflict, is under preparation. Aside from the capital cost, the technical challenge of introducing underground sewage through existing built-up areas is considerable and it is unclear whether there is sufficient supply to provide for conventional water-borne sewerage systems.

The majority of urban households therefore continue to rely on pit or open latrines, cesspits or septic tanks that are in general poorly constructed. Waste from such facilities is often disposed off into drains or rivers, or on landfill sites, risking pollution of domestic water sources. Surveys indicate that fewer than a third of urban households in the country have access to adequate domestic sanitation. The impact of this on the health of the urban population is serious – 34% of children under 5 years old in Kabul are reported to suffer from diarrhoea, with reports of outbreaks of cholera at times.

Only a small proportion of the solid waste generated in urban areas is collected and disposed. Even the most conservative estimates show Kabul generates over 600,000 tons per year, which would require half of the current municipal budget to collect. Instead, more than half of the 1,200 tons of solid waste generated every day by the population of Kabul is disposed off in drains, which become blocked and prone to flooding. In Herat, some 6,500 households rely on private enterprises for waste collection and disposal, supplementing the work of the municipality. The urban waste that is collected is disposed off on peri-urban landfill sites that often pose an environmental threat to the neighboring communities. In Jalalabad, the most affordable residential property is found on unstable landfill in the basin of the Kabul river, which is prone to flooding.

#### **7.5 Future challenges/issues in Housing and Basic Services**

- 86% of Afghanistan’s urban housing stock could be classified as slums based on the international definition of lacking one or more of the following: (i) access

- to a safe water source, (ii) improved sanitation, (iii) durable, structurally-sound construction materials, (iv) adequate living space and (v) security of tenure.
- For the period of 2015-25, it is estimated that at least 42,000 new dwellings will be required each year to meet demand, at a cost of some \$2.6 billion annually. There will be a need for a range of housing options in different locations to cater for different levels of income.
  - Greater availability of affordable housing, constructed by the government or the private sector, might in time contribute to reducing the rate of growth of informal settlements in and around Afghan towns and cities.
  - There is potential for greater involvement of the private sector in urban solid waste

## 8 Main Messages

**Afghan cities are a driving force of social and economic development, state-building and peace-building, yet their full potential has been constrained by the absence of an effective urban policy and regulatory framework, insufficient and poorly coordinated investment, and weak municipal governance and land management.**

- Afghanistan's urbanisation has largely been informal. Cities have expanded rapidly over the past decade without effective spatial plans and limited access to formal land and housing. The result has been informal, low-density sprawl; increasing sociospatial inequality; and significant infrastructure deficiencies.

- Yet Afghan cities have been a significant source of economic and social development. Urban-based economic activity such as services now account for over 50% of national GDP, with agriculture accounting for 25% (down from 50% in 2002). Urban communities and citizens have demonstrated significant capacity to lead neighbourhood upgrading and local peace-building efforts.

- A change is needed to combat the negative by-products of urbanisation. An improved national policy, legal and regulatory framework is essential, along with increased capacity and authority of municipalities, to avoid another decade of informal 'laissez faire' urban growth, and to harness cities as drivers of economic and social development.

**The 34 Provincial Capitals are home to over eight million Afghans, roughly one-third of the total population. While Kabul is overwhelmingly large, the Regional Hubs and Transit and Trading Hubs are home to significant urban populations as well.**

- Afghanistan has a relatively geographically balanced urban spatial structure although Kabul dominates with an estimated 41% of the urban population. Kabul and the four regional hubs of Herat, Mazar-i-Sharif, Kandahar and Jalalabad are home to 69% of the urban population (in the 34 provincial capitals).
- In addition to these five largest cities, the eight Trading and Transit cities: Lashkar Gah, Kunduz, Taluqan, Pul-i-Khumri, Sheberghan, Zaranj, Maimana, and Ghazni also contain significant populations and are important regional economic and transit centres.

- At the smaller end of the spectrum, Provincial Centres and Urban Villages have comparatively smaller

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populations but still represent more than was previously recognised in many cases.

- Interventions should be tailored to the particular typology of cities: Kabul, Regional Hubs, Trading and Transit Hubs, Provincial Hubs, and Urban Villages. A national spatial strategy can help to promote spatially balanced and equitable urban growth in the coming decades, creating a 'system of cities' and reducing pressure on Kabul.

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**Afghan cities have unique land-use and spatial patterns that reflect a decade of informal, laissez faire urban growth. However they also have significant potential to accommodate urban growth in the coming decades, within existing urban areas by utilising available vacant plots.**

- On average, 27% of the built-up area of cities are vacant plots (land subdivided but not yet occupied), reflecting a decade of land grabbing, land sales by municipalities, and private sector speculation. These vacant plots are sufficient to accommodate another 4 million people at current densities, adequate for urban growth in the coming 10 years.

- Agriculture is an important aspect of Afghan cities, with agricultural land occupying an average of 34% of total municipal land.

- The lack of planning to guide urban growth means that Afghan cities have inefficient spatial patterns and insufficient public space. For example the road network comprises an average of only 10% of the built-up area, and parks and sports grounds only 1.4%.

- Many of Afghanistan's urban challenges have a clear land dimension, including land grabbing, inefficient use of land, tenure insecurity in informal settlements (70% of dwelling stock), limited access to well-located land for housing by middle- and low-income households, insufficient land for economic activity, and undeveloped land-based financing for local service delivery.

- A national programme on strategic spatial planning and improved land administration and management is urgently required to address these land bottlenecks, improve urban mobility and public space, and promote the supply of affordable land for residential, industrial and commercial uses.

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**The vast majority of urban Afghans live in underserved, informal housing with little tenure security and very poor access to basic services such as water and sanitation. This is the result of a lack of viable formal alternatives and**

- The urban dwelling stock is 962,467 dwelling units (DU), comprised largely of irregular and hillside housing (54% and 7% respectively) and 31% regular housing. Apartments comprise only 4% of the national urban housing stock, and are mostly located in Kabul and the Regional Hubs.

- Afghan cities have low residential densities compared with international norms (avg. 19 DU/Ha; 142 people per hectare). This limits viable public transport options and greatly increases service delivery costs.

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**underinvestment in basic urban services**

- Access to improved water sources is relatively high in cities (71%), yet this figure masks severe quality issues. Only 14% of urban dwellings are connected to the piped water network.
- Access to improved sanitation is low (29%), and no Afghan city has a comprehensive sewerage system.
- Solid waste management is the most visible municipal governance deficiency and the largest municipal expenditure.
- There is enormous potential to expand the availability of affordable housing by upgrading the stock of informal housing through a community-based regularisation process that improves tenure security, infrastructure and services.
- To cope with new housing demand a combination of housing options are needed (e.g. serviced land, incremental housing construction), stimulated by a clear national urban land/housing policy and making land available for middle- and low-income households, including IDPs and returnees.

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**Afghan cities contain considerable challenges including poverty, inequality, social exclusion, youth unemployment and gender inequality, which are a result of weak governance and insufficient focus on shaping an inclusive, pro-poor process of urbanisation.**

- Due to a lack of effective stewardship of the urbanisation process, coupled with the rapid growth of cities, the last decade has seen both poverty and inequality increase in urban areas. Nearly one-third of the urban population lives in poverty (29%, over 2 million Afghans), and are denied access to affordable and well-located land, housing, and services.
- Gender inequality is a major challenge in cities with women and girls facing significant structural barriers to their full social and economic participation in urban life. Urban female illiteracy (62%) is double urban male illiteracy (31%); the female labor force participation rate in cities is only 13%, one-third lower than the national average (19%).
- Cities are home to a disproportionate number of youth (aged between 15 and 24), who constitute nearly a quarter of the urban population (23.6%), notably higher than in rural areas (17.8%). Yet cities are not providing jobs and opportunities commensurate with demand, with youth becoming increasingly disenfranchised as a result.
- As of 2014, urban poverty is worsening, due in part to the drawdown of the international presence in Afghanistan and corresponding economic slowdown. Poor households, IDPs, returnees and female-headed households in cities are, and will continue to be most affected by these macro-economic changes.

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- Experience has shown that community ownership is an essential element of interventions to reduce urban poverty. Urban Community Development Councils (CDCs) have demonstrated enormous capacity to organise, find solutions to local social and infrastructure challenges, and engage in peace building efforts. This latent energy needs to be harnessed within a more participatory municipal governance framework and scaled-up to all cities.

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**Afghanistan's future is urban. The population of Afghan cities is expected to double within the next 15 years, and be 50% urban by 2060. Urbanisation can be a source of significant development, not simply a 'problem to be solved'. The inevitable urban transition presents both opportunities and challenges given the current form and structure of the major cities.**

- A key challenge facing Afghanistan is how to manage its inevitable urban transition, to ensure environmental protection, sufficient job and livelihood opportunities to meet demand of a growing urban population, equitable service delivery, access to land and housing, and balanced rural-urban development;
- There is more than enough land in cities to accommodate all urban population growth for the coming decade. For example, the five largest cities can accommodate an additional 3.6 million people without requiring any more built-up land, rather by simply utilising existing vacant plots.
- A clear national framework is required (e.g. National Urban Policy), spatial strategy for promoting balanced development; and increased international, national and municipal financing for urban development, particularly basic urban infrastructure and services.
- A better understanding of city-region dynamics is needed to develop programmes that harness rural-urban linkages, improve connectivity and promote the orderly growth of cities that enhance economic benefits and minimise negative environmental impacts.
- Fostering inclusive, safe and prosperous cities requires stronger urban institutions and municipal governance, and a clear focus on pro-poor and citizen-orientated development.