

PRESS RELEASE

The African Development Bank and UN-Habitat scale up drive for sustainable urbanization in Africa

Sevilla, Spain, 1 July 2025 – The African Development Bank Group and the United Nations Human Settlements Programme (UN-Habitat) have signed a Memorandum of Understanding to enhance collaboration and accelerate action on sustainable urban transformation across the continent.

Under the agreement, the organizations will jointly develop action plans that combine technical assistance, policy support, capacity-building, and knowledge exchange to local governments in four key spheres: urban governance, housing, municipal finance, and infrastructure development.

The agreement was formalized on 1 July 2025 on the sidelines of the Fourth International Conference on Financing for Development (FfD4) in Seville, Spain.

The Memorandum of Understanding renews an agreement signed in 2006 by the two entities to collaborate in the water and sanitation sector.

The African Development Bank and UN-Habitat also plan to coordinate their efforts to tap into key regional and global platforms to mobilize resources for urban development in Africa, including the World Urban Forum and the Africa Investment Forum.

“I believe that there are ways that we can use the capital markets to develop cities much better,” said African Development Bank President Akinwumi Adesina. “I am delighted that the Bank and UN-Habitat are partnering on the development of cities – I am very excited about this partnership.”

“Cities are the engine of growth, and we need to mobilize a lot more private capital in the development of cities, which will require a different approach from the conventional public sector capital,” he added.

The Executive Director of UN-Habitat, Anacláudia Rossbach, said: “Urbanization in Africa can either be a driver of prosperity or a deepening of poverty and exclusion. Through this renewed collaboration with the African Development Bank, we aim to help cities become engines of resilience, equity, and climate action, leaving no one behind.”

The African Development Bank has significantly expanded its urban portfolio in recent years, including through the creation of a dedicated urban development division and the Urban and Municipal Development Fund to support African cities in delivering transformative, climate-resilient urban solutions. Most recently, UN-Habitat and the Bank signed a service agreement to prepare the Eswatini EcoCity Masterplan under the MNWAP project – an integrated urban and agricultural initiative that aims to deliver

sustainable housing and create economic opportunities for over 100,000 people in Eswatini.

Africa's rapid urbanization – projected to reach a population of 2.4 billion by 2050 – presents both opportunities and challenges. With more than half of urban residents living in informal settlements lacking basic services, adequate housing, and climate-resilient infrastructure, local governments are under increasing strain. Through this renewed partnership, the African Development Bank and UN-Habitat are joining forces to help cities respond to these challenges and harness urban growth as a driver of sustainable development.

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About UN-Habitat

UN-Habitat is the United Nations entity working for sustainable urbanization. With programmes in over 90 countries, it supports policymakers and communities to create socially and environmentally sustainable cities and towns. UN-Habitat promotes transformative change in urban areas through knowledge, policy advice, technical assistance, and collaborative action. To know more, visit unhabitat.org or follow us on social media @UNHABITAT.

About the African Development Bank

The African Development Bank Group is Africa's premier development finance institution, promoting economic growth and social progress across the continent. The Bank has 81 member countries and is headquartered in Abidjan, Côte d'Ivoire. Learn more at www.afdb.org or follow @AfDB_Group.

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