## MIDDLE EAST AND NORTH AFRICA

Two decades ago, only 30 per cent of the population of the Middle East and North Africa lived in urban areas, but estimates indicate that by 2020, this figure will have risen to 70 per cent. This rapid change in the demographic structure of most countries in the region is bringing a host of development-related issues into sharp relief, including the lack of vibrant democratic practices and institutions, and the continued dominance of highly centralised systems of urban governance. Local governments generally have limited autonomy, and accordingly, accountability for the provision of services to urban residents is limited. Yet, because of their disproportionate share of economic activity, it is the urban areas that are driving national economies.

Poorly managed urbanisation has resulted in widespread damage to the urban environment. Pollution-related health problems, particularly in urban and industrial centres, are a result of open municipal waste dumps, leaded petrol use in an aging and poorly maintained vehicle fleet, inefficient power generation and poorly regulated emissions from industry. Weak environmental institutions and legal frameworks prevent countries from adequately addressing such environmental challenges.

The Middle East and North Africa region has five per cent of the world's population with access to less than one per cent of the world's freshwater resources. Population growth, rising living standards and urbanisation increase the pressure on the water supply, leading to higher costs for urban water. Fragile ecosystems are also under threat: the Nile Delta, which accounts for just 2.5 per cent of Egypt's land surface, is one of the most densely populated areas in the world, with population densities of up to 1,600 people per square kilometre.[13]

However, the incidence of poverty in this region is among the lowest in the world, and a number of countries and cities have embarked on ambitious reform programmes. Cities Alliance members are active in providing support to the government of Morocco and its ambitious *Villes sans Bidonvilles* programme, which with its strong political leadership, clear targets, budgetary support and associated reforms has the potential to set an international standard for national slum upgrading programmes.

In June 2005, the World Bank approved a US$150 million loan to support a number of housing sector reforms in Morocco, in part, because of the clear identification of this issue in the Country Assistance Strategy (CAS), whose key

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Aerial view of the port of Aden, Yemen

[13] See the United Nations Environment Programme's GRID-Arendal web site at http://www.grida.no.

strategic objectives include reducing slums and increasing access to affordable housing for the poorest residents.

The Cities Alliance is supporting activities in the Egypt, Iran and Yemen, and expects its portfolio to expand rapidly through the development of a large portfolio in Egypt and Morocco, and new activities in Jordan, Lebanon, Syria and Tunisia.

## ALEXANDRIA CITY DEVELOPMENT STRATEGY FOR SUSTAINABLE DEVELOPMENT

Alexandria, located on the shores of the Mediterranean and with a population of 3.7 million, is Egypt's second largest city. The city is facing a number of challenges in improving people's living conditions: 30 per cent of its residents live in squatter settlements, only 25 per cent are active in the labour market and most have to cope with severe environmental problems.

At the same time, Alexandria has huge potential for development stemming from its cultural heritage, its skilled population and the availability of large tracts of vacant land that could be used to address the pressures of urbanisation. However, the city has lacked a clear vision of its future and a strategy for tackling long-term economic development. In 2004, Alexandria approached the Cities Alliance for assistance to formulate a long-term

CDS through a broadly based participatory process. The process was supported by Cities Alliance members, the World Bank, USAID and GTZ.

A local CDS team that included senior municipal officials, directors of line ministries, academics, representatives of NGOs and prominent business people was established. A partnership forum was established and stakeholders' consultation workshops were held regularly. Top priorities stakeholders identified at these fora included developing a long-term, local economic development strategy to capitalise on the city's competitive advantages, and to promote an enabling local business environment to attract foreign investment and contribute to job creation and economic growth. Other priorities were developing a strategy for urban upgrading across the city, rehabilitating the environment and designing a redevelopment plan for Lake Marriout and the surrounding land.

Urban upgrading topped the list of priorities because of the large size of squatter settlements and the urgent need to start a socioeconomic development programme. Nag Al Arab, one of Alexandria's 30 squatter settlements, accommodates about 16,000 inhabitants crammed together at a density of 740 people per hectare. Streets are so narrow that the private operator responsible for solid waste collection and management cannot service the area. The settlement has no schools, primary health care units, post offices or youth centres. The illiteracy rate is 30 per cent, and unemployment runs as high as 17 to 20 per cent.

Given Nag Al Arab's location east of the Lake Marriout, most of its residents worked as fishermen, but because of increased industrial pollution in recent years, fish stocks have declined precipitously and many people had to give up their livelihoods.

"We wanted the CDS to include specific measures to improve the living conditions of residents, prevent further deterioration at the Lake, while improving the municipal capacity to deliver services and better manage our local assets."
**H.E. Mohamed Abdel Salam El Mahgoub, Governor of Alexandria**

"The objective of the CDS is to build consensus among the city's main stakeholders to come up with a shared vision of the city's development through two-way information sharing between the technical experts and city stakeholders."
**H.E. Mohammed Bassiouny, Secretary General of Alexandria Governorate**

> "Our adult children do not have jobs, even those who went to school. They have nothing to do but to hang around doing nothing."
>
> **Female resident of Nag Al Arab Settlement, Alexandria**

Under the CDS, a team was set up to review the infrastructure and socioeconomic conditions in Nag Al Arab and other squatter settlements. One lesson the team learned is that to achieve meaningful change in the lives of the poor, identifying a community's natural leaders is important. In a broad consultation process in the community, the main priorities that emerged included employment generation, improved health care and land titling. As a quick-win measure, and with financial support from GTZ and the World Health Organization (WHO), a community centre with a health care clinic, a youth centre and a library was constructed and equipped.

The strategic planning process encouraged the government of Egypt to request World Bank support, and a US$100 million investment for the Alexandria Growth Pole Project. The project's objective is to support economic growth in Alexandria through better management of existing local assets, including competitive economic sectors, cultural heritage assets, land and property that can be leased, sold or revitalised, and under-utilised human resources. The project will focus on the three components identified during the CDS process: undertaking local economic development, upgrading squatter settlements, and improving the environment in the vicinity of Lake Marriout, including redevelopment of vacant land.

*Ahmed Eiweida, Caroline Bollini and Dina Mohamed Samir El Naggar, all of the World Bank for the Alexandria CDS team.*



**Nag Al Arab, Alexandria**



**Qait-bay and sea, Alexandria**

Greater Amman Municipality (GAM) is the capital of the Hashemite Kingdom of Jordan, home to more than two million people, representing just under 40 per cent of the total population. Its rapid expansion in population and size over the past decade has placed extraordinary new pressures on the city to plan and deliver municipal services, particularly following the first Gulf War when there was an immediate influx of some 300,000 refugees. In a region marred by instability and conflict, Amman has become for many refugees the safe haven that poses tremendous challenges to city planning and management.

The development of the city of Amman follows the guiding framework prepared under a 2002–2005 Development Plan, with specific objectives and programmes targeting a wide range of sectors, among which are institutional development, including improvement of the system of local revenue collection and management, and urban devel-

> Ibrahim Khreis, GAM's Director of International Relations, describes the CA–World Bank collaboration as "an ideal blend of expertise and financial support that will help GAM address one of its most critical challenges."

opment. Implementation of the Development Plan after three years revealed an urgent need to refine and further detail two programmes within the existing strategy, (i) the municipal management and governance programme; and (ii) the urban development programme.

The specific focus of the resulting Greater Amman Municipality's CDS is on strengthening municipal management and governance, while upgrading its urban planning capacities, including adoption of a citywide upgrading strategy for squatter settlements and refugee camps. City officials see GAM's future success and competitiveness hinging upon the city's effectiveness, inclusiveness and responsiveness to planning, and in the delivery of services to all city residents, including the urban poor.

In the words of Amman's Mayor, H.E. Nidal Hadeed:

*Amman is at a critical juncture in terms of its growth potential and ability to provide services efficiently to city residents. We realise as city officials that we cannot do this alone. It will require a broad-based citywide effort in which all city residents are expected to play their part. Good gover-*



**Satellite image of Amman and surrounding hills**

*nance, participation, and excellence in service provision are therefore essential ingredients to the fulfillment of our strategy.*

With Cities Alliance funding, GAM officials have recruited a municipal management specialist to undertake a broad stocktaking exercise aimed at assessing weaknesses, gaps, overlapping mandates and functions within the municipality. The specialist will also assist GAM in streamlining its organisational structure, while realigning newly reorganised functional departments with defined service delivery targets and standards. A communications strategy for the city and measures to enhance performance of GAM's "Citizen Services Center" are also under preparation.

One particular area of weakness is GAM's existing array of information and communications technology (ICT) and management information systems. GAM has more than 15 legacy systems with different platforms and database engines, each working as a separate island with significant breakdowns in communications. The World Bank has provided support in assessing system weaknesses and in mobilising a GAM team to map out business processes as a first step toward a major overhaul of GAM's managment information systems, including a proposal for implementing a completely integrated enterprise system.

The specialist is also assisting the GAM with the implementation of a participatory planning process. This will drive the ongoing efforts to strengthen land use planning, zoning and building

regulations to reduce low density areas and minimise urban sprawl, enabling the city to better accommodate and service the recent influx of new residents.

A series of workshops is scheduled in the coming months to unveil GAM's proposed approach to revamping its management system and urban planning processes to encourage participation in the various planning activities.

*Ibrahim Khreis, Director of International Relations, Department of Greater Amman Municipality, and Stephen Karam, World Bank.*

## ADEN'S CITY DEVELOPMENT STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT

In 2002, the Cities Alliance, through the World Bank and the government of the Netherlands, began providing support to the port city of Aden for the development of a comprehensive CDS linked to a local economic development programme and infrastructure investments. Through this CDS, Aden seeks to reclaim its former international role, building on its competitive advantages to become a modern city with an economy based on transport services, international trade, tourism, making it an attractive hub for local and international investment.

Following the reunification of Yemen in 1990, the government declared that Aden would be its economic and commercial capital. Political instability in the early 1990s derailed development plans, and it was not until March 2002 that the Yemeni government sought to regain the initiative and chart the city's future.

A key starting point was to outline a vision and a strategy for the process. The city authorities initiated the "Aden Medium- to-Long-Term CDS for Local Economic Development", aimed at reducing poverty and improving the quality of people's lives. The strategy, which was developed with extensive stakeholder participation, focused on unlocking Aden's growth potential by enhancing

The Cities Alliance undertook a field evaluation of the Aden CDS this year. The main findings of the evaluation were that overall, the CDS and the plans for LED were a measured success. The positive achievements were:

• Introducing and developing participatory approaches to city development;
• Encouraging partnerships among the main actors, both public and private;
• Improving the understanding of some of the key drivers of the economic base and linking this to policy and institutional reforms and urban planning processes;
• Keeping the issue of policy reform as a key theme;
• Using the CDS to shape the World Bank-supported Port Cities Development Programme.

The areas where the CDS process could have been improved include the following:

• The analytical work could have benefitted from more engagement by local actors, which would have led to greater ownership of the conclusions;
• The institutional arrangements for moving from strategy formulation to action plan implementation could have been better designed, and the action plan could have been more detailed;
• The monitoring and evaluation system could have been better integrated into the process from the start;

• The strategy could have been better communicated, and its results disseminated more effectively.

Key lessons from the Aden experience include:

• *Scope:* The CDS approach is strategic and comprehensive. Grant applications that are narrowly focussed on an economic development agenda may be too restrictive, reducing their citywide appeal and underplaying other challenges essential to future growth and poverty reduction;
• *CDS study process:* The resources and time allocated to the preparation of CDS action plans and institutional delivery arrangements should be better spelled out in grant proposals;
• *Action plans:* There is a need to better guide and illustrate what action plans are likely to be;
• *Institutionalisation:* The sustainability of the CDS hinges on how well it is institutionalised. There might be a case for the Cities Alliance to provide simple guidelines and case studies on preparing and implementing CDS;
• *Monitoring and evaluation:* A common weakness of CDSs is the lack of attention paid to defining clear targets of what the city is trying to achieve and then putting in place a simple and appropriate system for monitoring and using them to inform decision-making processes.
• *Co-ordination:* The commitment of, and co-ordination with, other Cities Alliance partners could be made more clear and binding.

the operating efficiency and competitiveness of its seaport, airport and free trade zone, linking them with the wider city economy, and by improving the overall business environment. The strategy recognises that private sector development is critical to success and emphasises building investor confidence and streamlining regulation.

The most tangible output of the CDS and LED processes was the initiation of the Port Cities Development Programme, a 12-year, phased US$96 million investment programme financed by the World Bank. The project aims at improving the efficiency of local government agencies

and revitalising business clusters through investments that would promote growth and generate employment. The first phase of the project includes making investments in transport infrastructure and commercial areas, developing strategic planning tools and elaborating a master plan and capital investment plans. Design and feasibility studies for investments in the port cities of Hodeidah and Mukalla will also be financed during this phase. The project also includes resources for building local capacity and modernising local administrations.

**Aden city view**

According to Mohamed Zemam, manager of the Port Cities Development Programme, the involvement of the Cities Alliance was key to 'sparking' the development process. Teams of local stakeholders participated in workshops to help develop the vision that would guide all subsequent development projects and initiatives. Cities Alliance-funded consultants worked with experienced local civil servants from the primary stakeholder agencies, helped them formulate a basic plan, and then shape it into a roadmap for the city's development.

*Mohammed Zemam, Project Director, Port Cities Development Programme, and Iskander Satter, Monitoring and Evaluation Specialist, Port Cities Development Programme.*



**Fish hawkers at Hodeidah port**