

Submission of Proposals: Application Form

Please read carefully the "Guidelines for the Submission of Proposals" which outline the modalities for application and the criteria for the selection of proposals spelled out in the Cities Alliance Charter. Please ensure that all necessary supporting documentation is attached to this form. Additional information may also be enclosed, but total submission should not exceed 12 pages.

DATE: rec'd 22 December 2009

1. TITLE of PROPOSAL: Jordan - Secondary Cities Development Strategy Program

2. PROPOSAL SUBMITTED BY¹:

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¹ Country-specific proposals typically originate from local authorities, but must be sponsored by at least one member of the Cities Alliance (see <u>Cities Alliance Charter</u>, Section D.14).

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4. RECIPIENT ORGANISATION: – organisation that will receive and execute the grant:

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INFORMATION ON PROPOSED PROJECT:

6.	Type of project (check one):		
	City Development Strategy_ X_	Slum Upgrading	Both

7. Geographic scope of project (specify):

City: 4 cities in Jordan Al-Mafraq, Al-Karak, Al-Talifah, Al-Zarqa

Country: Jordan
Global/Regional/Multi-country: _____

8. Expected duration12

BUDGET SUMMARY:

- 9. Amount of total budget requested from Cities Alliance funding: US Dollars \$500,000
- 10. Co-financing amount of total budget, including local partners: US Dollars \$792,000
- 11. Total project budget cost: US Dollars \$1,292,000

DESCRIPTION OF PROPOSED PROJECT:

12. Background – issues to be addressed and scope of project Jordan's Development Context:

The Hashemite Kingdom of Jordan with a population of 5.35 million in 2004 has been experiencing rapid urbanization with the ratio of urban to rural population shifting from 20:80 to 80:20 since the early 1970s. In 2004, 82.3 percent of the nation's population lived in cities. Amman as the country's capital and major commercial center has been attracting many residents seeking greater opportunities for employment. Since 1980, the population of Amman, and nearby Zarqa, has grown by an average of 3.3 percent per annum. It is estimated that the area, which is home to approximately 2.7 million people in 2001, or about 54 percent of the national population, will reach 4.5 million by 2020. In addition, the size of Jordan's labor force in 2001 was estimated to be 1.2 million. However, more than 50 percent of the national labor force is located in Amman and Zarqa Governorates.

Jordan's increasing urbanization rate has been accompanied by indications of increased economic growth and improvements in the fight against poverty. According to the 2004 Jordan Poverty Assessment report, the percentage of poor in Jordan fell by a third from 21.3 percent in 1997 to 14.2 percent in 2002. Notwithstanding the improvements, the benefits of this growth have been concentrated mainly in the capital Amman, while the rest of country faces disparities as summarized below:

a) Regional Imbalance and Poverty

Despite an improvement in the average standard of living from 1997 to 2003 the country experienced an increase of 1.6 percent in inequality between governorates during this period². In four governorates where 20 percent of the population lives, there is no strong evidence to suggest that poverty either increased or decreased. However in Zarqa governorate where 15% of the population lives, poverty has actually increased significantly (from 16% to 22 %, 2002-2003).

Another worrying statistic is the increase in youth unemployment among the poor in Jordan. Youth from poor backgrounds show unemployment rates that are greater than the national average of 37%. Tafilah, Karak and Mafraq for example, have youth unemployment rates either near or above 50%. In terms of poverty incidence, unemployment presents a particular risk and it is therefore vitally necessary to integrate many more Jordanians into the economy by increasing economic opportunities in secondary cities. Achieving a greater regional balance in the distribution of resources and benefits of growth has therefore become a significant focus of Jordan's development agenda.

b) Weak local governance structures

Jordan's municipal insolvency crisis in early 2000 compelled the government to amalgamate the country's 328 municipalities into 99, adding an institutional dimension to the regional imbalance. The newly amalgamated municipalities now face challenges of restructuring their administrative and jurisdictional responsibilities in order to fulfill social functions that have been decentralized. As part of this most recent amalgamation, Village Councils, which used to assist the Governorates in administering the rural territories, were abolished and merged into new municipalities at the same time. As a result, the average population size of a municipality has increased from approximately 15,300 in 2000 to 50,300 in 2002. This was followed by GAM amalgamation in 2007 of 6 neighboring municipalities. This reduced the number of municipalities under the Ministry of Municipal Affairs jurisdiction to 93. National municipal election took place in November 2007 under the new municipal law no 14/2007. This included women quota for municipal council and for the first time a lady was elected as mayor. However the Parliament Members last year issued a letter to the Prime Ministry recommending reviewing the process of amalgamation since it created some social divide and overlapping between municipal councils. Overall the amalgamation was positive in solving the insolvency problem and enhanced the local development role of municipalities. However with newly elected council members and Mayors, weak administrative and financial management infrastructure in municipalities and lack of capacity in local economic development and strategic planning have pushed Mayors and councils to rely more on MOMA and to compete for new projects and financing from central government.

² Jordan Poverty Assessment Report (2004), World Bank.

Over recent years, the Government of Jordan has demonstrated on numerous occasions that it is willing to take action when needed to improve performance in the municipal sector. These actions have included efforts at increasing central resource transfers to municipalities, revising the transfer formula, strengthening the municipal training program of the Cities and Village Development Bank (CVDB) and ensuring that census data is collected at the municipal level to inform policy formulation. Perhaps more importantly, few have fundamentally addressed the structural and systemic causes of performance weaknesses and gaps in the municipal sector. However, with the introduction of the National Agenda in 2006, Jordan has put forth a guiding framework which includes reforms on the local level intended to contribute to the stimulation of economic development and improve social welfare and security.³

Given that the nation is largely urban (82%) with more than 65% of the urban population residing in the country's three largest governorates (Amman, Irbid and Zarqa), the burden of urban management and ensuring a decent standard of living for Jordanian citizens lie squarely with the local governments.

In addition, local governance in Jordan faces several challenges, which are:

- i. Financial challenges
 - (i) Scarcity of financial resources.
 - (ii) Financial deficits
 - (iii) Weak tax collection performance.
 - (iv) Lack of financial planning & revenue collection
- ii. Administrative challenges
 - Lack of specialized human resources.
 - Weak internal institutional set up.
 - Centralization, which is impeding municipalities in general from undertaking their tasks as specified in the law.
 - Lack of integrated city development plans.
 - Poor role of municipalities in local economic development & attracting investment

c) Local Development

Local development (LD) is a well established objective adopted by governments internationally and within the MNA region in order to achieve greater grassroots involvement by local communities in setting local development priorities, in providing more efficient and effective delivery of public services, in addressing interjurisdictional inequalities in service provision, and ultimately in better targeting poverty. The Government of Jordan enjoys support for its local development agenda at the highest political level. In his statement opening the session of the 15th Parliament, the King said "Our vision for the coming era, which is full of challenges, is crucial in the history of Jordan. We seek to have socio-economic development as a top priority. We are determined to proceed with political reform, partisan life advancement, guided by the principles agreed upon in the National Agenda and We are All Jordan documents, ⁴" The greatest challenge it faces is to implement and transform this political will into workable implementation program and coordinate the efforts of all stakeholders in the country.

In the last few years the Government of Jordan (GoJ) recognized the importance of decentralization and local development as one of the measures for promoting equitable socio-economic development at both regional and local levels. Jordan's National Agenda proposes to improve economic opportunities by adopting a four point strategy intervention program, which includes:

- i) increasing local participation in decision making;
- ii) developing the capacity of sub-national institutions to plan, implement and manage their development programs;
- iii) exploiting local endowments and assets as a means of catalyzing local economic development; and
- iv) leveraging small-scale entrepreneurial capital through increased access to credit and expanded public-private partnership at the local level.

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³ National Agenda: The Jordan We Strive For, 2006-2015.

⁴ Jordan Times, November 27, 2007.

d) The Impact of the Global Crisis on the Cities/Governorates of Jordan and more explicitly Zarqa, Mafraq, Karak and Tafileh

In the World Economic Forum held at the Dead Sea from 15 -17 May Panel Discussion The "Right" Rescue Package for the Middle East" Basem Al Salem, Minister of Finance of the Hashemite Kingdom of Jordan, said "lending capital is not flowing as fast as the government would like. Jordan is scaling back growth forecasts and feeling a pinch in tax revenues. The government is focusing on overhauling the tax structure to lure foreign capital after the storm"

This has reflected in a shortage of available credit for real-estate financing, a major income source for the municipality of Zarqa and Mafraq since building permits or licenses for real estate or factories has declines. This also was observed in the newly established economic free zone or real estate urban regeneration projects regions i.e. King Hussein Development Area in Mafraq or King Abdullah Bin Abdel Aziz City in Zarqa

At the consumer level the cities/governorates of Zarqa and Mafraq on which large proportion of the citizens are blue collar working in factories which had either to lower production and cut costs, putting pressure on salaries by reducing bonuses or extra time. This has resulted in lowering the disposable income of citizens negatively impacting traders & shop owners and commercial activity suffered in those cities. Another pressure facing Zarqa and Mafraq, is the number of laid off expatriates returning from the Gulf after being laid off following the global economic crisis in particular Jordanians resident in Dubai, Kuwait and UAE which worked in the construction and services sector. It is estimated that at least 100,000 Jordanian will return from the Gulf this summer increasing un-employment and dependency on their resident relatives.

The cities of Karak and Tafileh already highly dependent on government employment, tourism and agriculture sectors, the impact was less visible, however increased inflationary pressures, high un-employment and a drop in the number of tourists visiting Karak or Tafileh has also negatively impacted the income of the citizens and both cities suffer the impact of less tourist flows passing by in particular small businesses. The tourism industry and operators expect a worst year to come.

The cities of Karak & Mafraq which a large population of its young population and women work in Qualified Industrial Zones of Karak or Al Hassan Industrial Estate (in the case of Mafraq) was also affected since the factories (producing garments and textile) in the Zones were dependent on US markets and its retail industry. Lower demand from US retail industry caused some factories to scale down production or temporary close down causing more unemployment in both governorates & increasing poverty.

The City of Zarqa in which a large proportion of population dwell in refugee camps or slums the stale of the Palestinian peace process and the increased dependence of the Gaza and West Bank people on remittances sent by their relatives in Zarqa or Mafraq has put more pressure on the disposable income of Palestinian residing in Jordan and Zarqa in particular.

In the World Economic Forum Closing Plenary Marwan Jamil Muasher, Senior Vice-President, External Affairs, World Bank, Washington DC, and Chair, Global Agenda Council on the Future of the Middle East, noted that the impediments to growth are not linked to the economic crisis but to "the chronic problem of the Arab-Israeli conflict ... and a growing frustration with the development model the region has been pursuing so far ... Unless we revisit education and teaching people how to think critically, question and research, the basic skills needed for innovation, this region will not hope to rise much above current levels," he said.

Overall the economic crisis and regional political instability has increased the socio economic pressures on the cities and governorates centers of Jordan and the target cities of Zarga, Mafrag, Karak and Tafileh

Four-City CDS Programmatic Approach

Within this context and in keeping with the GoJ's regional development agenda, the proposed program will be the second step in a programmatic approach to assisting four secondary cities in Jordan – Karak, Mafrag, Zarga and Tafilah- in developing City Development Strategies. The program will also build upon the Bank's successful assistance to the Government of Jordan in supporting the preparation of a City Development Strategy for the city of Greater Amman. The rationale behind the programmatic approach is to generate local economic development opportunities outside of the nation's capital Amman in cities which include significant pockets of poverty while at the same time building the capacity of Jordan's largest municipalities. The multi-city CDS is the second step, following upon the results of the Amman CDS, of this programmatic approach in developing a model of inter-municipal strategic planning to be replicated across the country. The Amman CDS provided the basis for GAM's streamlining of the organizational structure and realigning of the functional departments with defined service delivery targets and standards. This has enabled the city of Amman to reshape its city vision and strategy. The Amman CDS not only allowed for the update of the Master Plan, the knowledge from the urban planning segment of the CDS provided guidance on how to integrate a participatory planning process and increase efficiency of land use planning to better accommodate the influx of new city residents.

In addition, the Ministry of Municipal Affairs is developing regional strategies to prioritize investments through a Regional Development Fund that focuses on existing planning and budgetary processes including financial management. The new CDS will link with the ongoing effort seeking to develop a strategy of regional and local development where cities play the role of driver for economic development and will demonstrate a practical application as it corresponds to the aims of the National Agenda.

There are many reasons for concentrating Jordan's second phase City Development Strategies on 4 cities:

- They represent a relatively large share of the population and the urban poor. i)
- ii) The spatial dimension of the program – covering cities in the north (Mafraq), central (Zarqa) and south (Tafilah and Karak) of the country – enables and encourages a balanced growth of major centers across the country and supports the Government's National Agenda;
- Amman and Zarqa are the next largest urban agglomerations⁵ and are being administered by newly iii) amalgamated and newly accountable municipalities which manage a large part of the country's basic social services and are enablers of growth.
- iv) Rapid urbanization and increased construction activity has amplified the urban management challenges, ranging from - increased air pollution, growth in informal settlements, in ability of cities to absorb the expansion and provide services and most of all, the legal framework has been ineffective and centralized, posing obstacles to implementation.
- Zarqa and Tafilah have high local economic growth potential, since they are seen as key educational, v) tourism, business and industrial centers and could play a greater role in balancing regional development in Jordan. (Please refer to Annex 2 for detailed city profiles)

13. Objectives

to:

The fundamental objective of this proposal is to assist four secondary cities in Jordan to develop the CDS program

Support local economic development through an inclusive and participatory process in their respective cityregions (north, center and south) which have significant pockets of poverty as shown in Table below.

⁵ Amman governorate is the most densely-populated governorate with populated governorate with a proportion of 38%, followed by Irbid governorate with 18%, Zarqa 15%, while Tafileh governorate has the least population concentration, the population included in the count was 75 thousand, with a proportion of 1.5%.

- Build capacity of GAM to support and guide the CDS process in these cities based on its gained experience in areas such as urban planning, governance, financial management and local tax administration, among others.
- Enhance the competitive advantage of Mafraq, Karak, Zarqa and Tafilah by improving employment opportunities for vulnerable groups (youth, migrants) through better socio-economic integration of municipalities and their resources, and by increasing investment opportunities for the private sector.

Table 1: Change in Poverty by Governorates, 1997 and 2002

Governorates	1997	2002
Karak	13%	12%
Mafraq	36%	25%
Zarqa	16 %	22%
Tafilah	24%	10.6%
Jordan	21.3%	14.2%

14. Methodology and sequencing of activities

This second phase CDS program will enable the Government to scale up the achievements of the Amman CDS to a national programmatic approach to alleviate the polarization of poverty and the effects of the current global crisis, using home-grown experience and expertise in GAM. The lessons from the previous CDS will be incorporated especially with regards to urban planning and stakeholders' participation. In particular, the Amman CDS produced a set of terms of reference which serve as the basis for the Amman Master Plan currently being implemented. The knowledge gained by GAM as a result of the strategic and master planning exercises will be used to support the four identified secondary cities to:

- ➤ Diagnose their development prospects, analyze their respective strengths, weaknesses, opportunities and threats (SWOT), and assist these city-regions in becoming engines of economic growth, by building on rural-urban linkages;
- Elaborate city development visions that are shared by various stakeholders including the urban poor and civil society;
- ➤ Devise local economic development strategies and action plans to encourage a healthy business environment and create conditions that will facilitate the establishment of new businesses and generate employment;
- > Increase the capacity of the municipalities to deal with the urban challenges of service provision and to run effective, accountable and fiscally responsible local institutions.

A participatory approach involving all shareholders will be emphasized in the planning and implementation process.

Key stakeholders

- Ministry of Municipal Affairs
- Ministry of Environment
- Ministry of Public Works & Housing
- Ministry of Health
- Ministry of Education
- Ministry of Social Affairs
- Ministry of Labor
- Ministry of Energy
- Ministry of Agriculture
- Ministry of Tourism and Antiquities
- Department of Land & Survey
- Department of Statistics

⁶ Jordan Poverty Assessment, Table 1.18: Pockets of Poverty

- Water Authority of Jordan
- Jordan Water Distribution Co (Miyahuna)
- Jordan Electric Power Co
- Electric Distribution Co (EDCO)
- Jordan Phosphate Mines Co Tafileh
- Jordan Cement Co Tafileh
- Jordan Petroleum Refinery Co (Zarga)
- Arab Potash Co (Karak)
- Jordan Chamber of Commerce
- Jordan Chamber of Industry
- Industrial Estates Corporation (Karak)
- Central Electricity Generating Co (Zarqa)
- Mutah University Karak
- Tafileh Technical University
- Hashemite University Zarga
- Al El Bayet University Mafraq
- The National Resources Investment & Development Corporation 'Mawared' Zarqa
- King Hussein Bin Tala Economic Zone Mafraq
- Zarqa Chamber of Industry (Mafraq & Zarqa)
- Hashemite Fund for the Development of Badiya Mafraq

The formulation of City Strategies will go through 3 stages which will include a series of participatory workshops, implementation of supporting studies and training/ local capacity building events:

Stage 1: Organization of Effort and Establishing Baseline Situations

a. Launch workshop and organization of effort: Upon commencement of the CDS program, each city will formally establish a multi-stakeholder City Level Task Force, mobilized from the Governorate, local governments, private sector and civil society to ensure local ownership. The four task forces will be coordinated and supervised by a **National Consultative Group** consisting of representative from the City Task Force, an international CDS expert, Local CDS consultants and representatives from donor organizations sponsoring the CDS

City Level Task Force - Key Stakeholders

- Mayors
- Municipal Council Members
- Governors
- City Managers or Undersecretary
- Director of Municipal Affairs at Governorate
- Director of Public Works at Governorate
- Director of Environment at Governorate
- Director of Health at Governorate
- Director of Education at Governorate
- Director of Labor at Governorate
- Local Chamber of Commerce Representative
- Local Chamber of Industry Representative
- Water Authority of Jordan Director at Governorate
- Electricity Power Co (IDECO, EDCO & JEPCO)
- Jordan Water Co (Miyahuna)
- Land & Survey Department Representative
- Local Director of Traffic Public Security Department
- Labor Union Representative
- Jordan Women Union
- Representatives of the Housing Contractors Association
- Jordan Engineers Association

- **b.** *Data collection:* At the national level a review will be carried out by the International Consultant of national policies, legislation and regional strategies as it applies to cities and local governance. At the same time, each city will start collecting and analyzing information that could establish the basis for an assessment of the city's competitive advantages. The collection and review of data will be done by local consultants, with support from an international competitiveness specialist.
- **c.** *Sector Studies*: Linked to data collection and led by the International Consultant, the following studies will be carried out to fully understand the social and economic challenges faced by Mafraq, Karak, Zarqa and Tafilah:
 - <u>Socio-Economic Assessment</u>: study of the city and regional economies, strengths and weakness in the context of regional, national and global economies, analysis of rural-urban linkages, competitive analysis.
 - <u>Urban Infrastructure</u>, <u>Poverty Assessment and Social Services Study</u>: Assessment of infrastructure and social services and incidence and depth of urban poverty. The report will also propose investment needs, costing, sequencing and identification of potential financing sources.
 - Environmental Assessment: This assessment will review and compile existing data and studies on environmental issues with a focus on Zarqa given its acute environmental conditions. It will seek to analyze issues and risks associated with: wastewater, drinking water and industrial wastes. A broader less detailed assessment will cover the city of Tafilah as well.
 - <u>Municipal Management and Capacity Assessment:</u> An assessment of the municipal management; role and responsibilities and quality of municipal services delivery will be carried out.

All studies will be presented by the consultants and discussed in stakeholder meetings at the city level.

- **d.** Diagnosis of the city Strengths, Weaknesses, Opportunities and Threats (SWOT Exercise) and Visioning Workshop: Stage 1 will culminate in a multi-stakeholder workshop where city representatives of Mafraq, Karak, Zarqa and Tafilah and their respective task force will come together to carry out SWOT analysis for their cities and develop an agreed vision for city development. The socio-economic, urban poverty and environment assessment documents will represent basic inputs to this process.
- e. Capacity Building and Training Component: the approach will be to build a holistic and programmatic capacity building and training program for municipalities in Jordan, while also building the capacity of the Municipality of Amman to become a national and regional center of Urban Excellence. Support would be provided in strengthening GAM to become the service delivery capacity that would in turn be involved in the delivery of technical assistance and training to other Jordanian municipalities. Such efforts are already underway informally through assistance the City of Amman is providing to the city of Zarqa, but which now requires a more strategic approach underpinned by a longer-term strategy for capacity development. Within the scope of this project, the target audience will be stakeholders from the four project cities Mafraq, Karak, Tafilah and Zarqa. In addition, Members of the City Task Force (CTF) will also be trained on CDS methodologies by a CDS expert who will assist the CTF in the preparation of various technical assignments, including preparation of TORs and launching of data gathering and analytical activities. A level one evaluation of all training courses and sessions delivered will be carried to gauge participant satisfaction on the relevance and usefulness of the course.

Stage 2: Development of a Programmatic Multi-City LED Strategy

- a. Development of a Programmatic Local Economic Development Strategy for Mafraq, Karak, Zarqa and Tafilah. Through stakeholder consultations done in Stage 1, a strategic framework for city development will be prepared based on studies carried out, SWOTs and individual city vision. The development strategies will be accompanied by action plans which will include priority actions and investments. The action plan would provide a framework for improved rural-urban linkages. It would form the basis for support to cities from the private sector, donors and the government.
- **b. Development of a Monitoring System**: Once the CDS program is launched a committee will be set up to develop performance standards and time bound monitoring indicators for the Cities to measure the progress of the project in the short term and its growing economic prominence in Jordan in the long term. As a complement to MOMA's efforts under RLDP, a consultant will be hired to establish a CDS Monitoring and Evaluations system and

at the same time train the CDS City Task Force (CTF) and the municipal officials. In addition, MOMA has developed a partnership with UN-Habitat to establish a National Jordanian Urban Observatory to provide municipalities with critical indicators on social, economic and environmental issues. MOMA will begin the exercise in Mafraq, Karak, Zarqa and Tafilah however has plans to extend the system to the other key municipalities.

c. Training and Capacity Building of Municipalities: The WBI/GAM-led training program developed during the first stage of this project will be delivered to staff at the four municipalities of Karak, Mafraq, Zarqa and Tafilah to strengthen their capacity in fostering local economic development and attracting investment. The training will also aim at improving urban management practices, municipal budgeting, participatory governance and asset management.

Stage 3: Knowledge Management and Dissemination:

Finally, the strategy shall be documented and made accessible to all stakeholders. Feedback on the Programmatic LED Strategy shall be encouraged and taken into account.

- a. **International Stakeholder conference:** This meeting will gather a broad range of representatives in addition to key people from other Maghreb and Mashreq municipalities. The Programmatic LED Strategy and related action plan will be presented for validation and final approval. At the workshop lessons learned by each city will be discussed and transferred to mayors, senior municipal officials and stakeholders of other cities in Jordan.
- b. **Development of a website** where all sector studies, the comprehensive Regional Development Strategy and other related material coming out of the program will be posted.
- c. **Document the CDS training program as a CD-Rom** resource for use as an off-the-shelf product available to all municipalities that intend to carry out their own local training programs.

15. Deliverables **Stage 1 Output:**

- Local stakeholders trained on the importance and effectiveness of participatory and comprehensive process of CDS.
- Knowledge sharing and lessons learned from the Amman CDS. The Amman Institute will participate in the CDS process as a resource city, whereby the Mayor and senior municipal officials, technical staff and other informed sources will be consulted.
- Baseline data derived from sector studies and city competitive assessment.
- Summary of SWOT analysis for Mafraq, Karak, Zarqa and Tafilah.
- Draft city development vision.
- Regional Workshop on CDS, Municipal Management and Climate Change⁷.

Stage 2 Outputs:

- City development vision discussed and agreed.
- Draft Programmatic Local Economic Development Strategy for Mafraq, Karak, Zarqa and Tafilah
- Medium and long term action plans
- Improved institutional capacity at the local government level.

⁷ Climate Change will be taken in consideration in the cities which have high contamination and high levels of carbon emission (such as Zarqa). The Ministry of Environment Clean Development Mechanism and carbon emissions reduction will be mainstreamed in Zarqa and Mafraq CDS since they have the largest industrial base in addition to emissions from vehicles and traffic and mining activities (in Karak and Tafileh). Mitigation and economic benefits of renewable energy, recycling, public transport, combating desertification, and CDM i.e Lanfill Gas to Energy Projects will be mainstreamed across all municipalities since they are host of major landfills and solid waste management activities. Furthermore a better planning with the re-distribution of functions within the towns and an appropriate mixed land use will reduce considerably the traffic and therefore emission of CO2

Stage 3 Outputs:

- Consensus on final Programmatic Local Economic Development Strategy for Mafraq, Karak, Zarqa and Tafilah
- Draft proposal for identified investment projects.
- Commitment from Donors and the private sector for implementing identified projects
- Creation of a "network of Learning" for cities in Jordan.
- Training and Capacity Building CD-Rom resource

16. Expected outcomes and related monitoring indicators and plans

Development of a Monitoring System: Once the CDS program is launched a committee will be set up to develop performance standards and time bound monitoring indicators for the Cities to measure the progress of the project in the short term and its growing economic prominence in Jordan in the long term. A consultant will be hired to establish a CDS Monitoring and Evaluations system and at the same time train the CDS City Task Force (CTF) and the municipal officials.

Short/Medium Term Outcomes:

- 1. *Increased level of participation* among municipalities and all identified stakeholders to move forward towards preparing and adopting the city development strategy that is linked to their priorities.
- 2. The *capacities of the municipality are built* in order that it may play a greater leading role in the development process it is assigned to do, and effectively replicate the process in new municipalities.
- 3. *Increased awareness* of the notions of local and regional development process.
- 4. Strengthened municipal management from the urban planning and financial aspects.
- 5. A number of *local economic strategies based on local resources* and comparative advantages are established and implemented.
- 6. GAM develops a capacity to serve as an *institutionalized mechanism* for delivery of advisory services and support to Jordan's cities and towns.

Monitoring of these impacts will be possible through survey based assessments of: (a) the degree to which the four cities have implemented the recommendations of their CDS; (b) the degree of engagement of all stakeholders in the implementing key items in the CDS.(c) the improved capacities of the municipal staff and the administrative and financial systems in the project cities.

Long Term Outcomes:

- 1. A sustainable local economic development strategy adopted by the three municipalities to implement oriented programs and projects that the city needs most, and reflects the real needs of citizens, based on the studies that the strategy will undertake in a participatory way, and in a close cooperation with all stakeholders.
- 2. Greater Participation and Involvement of Local People in local development process. It is anticipated that a more decentralized system, strengthened local councils and support for the establishment of non-government organizations (NGOs) and various civil society organizations, will represent the interests and needs of local communities reducing the current communication gap that presently exists between local government and national government institutions and their citizens.
- 3. Greater Local Economic Development Through Public/Private Partnerships. It is believed that a more capable decentralized system, where both regional and local government concerns are more effectively coordinated and integrated, would facilitate the creation of more partnerships between the local government system and the local private sector. It is anticipated that the local government system would be more sensitive and responsive to the needs of the poor and the disadvantaged, and would help stimulate a number

of partnerships between the public, private, and civil society entities, structured to implement a local economic development strategy.

Mechanisms for monitoring performance and quality review will be designed and set up, including the following: (a) identify roles and responsibilities of concerned departments; (b) set up a coordination mechanism; (c) identify indicators/milestones to periodically assess meeting the set objectives

Enhanced Urban Economic Growth will be Assessed through: (a) the adoption and implementation of a multi-year investment plan, (b) rationalized investment potentials, (c) attraction of investors through business-to-business contacts completed after the learning and exchange missions, (d) a coordinated effort to promote business in the four cities and (6) the exploitation of existing potentials in the four cities (within the sectors of tourism, industry and commerce).

Poverty Reduction will be assessed through: (a) number of jobs that will be created as a result of new public and private investment, (b) improved living conditions in general and for residents of squatter settlements in particular (better sanitation, access to clean water supply, schools, healthcare...), (c) the implementation of sound environmental management plans which would directly affect the poor.

Improved Governance will be assessed through: (a) enhanced local capacities (NGOs...), (b) greater involvement of civil society institutions, (c) consensus building on updated master plan, (d) institutionalized coordination mechanisms and participatory approaches, (e) strengthened policy and regulatory frameworks.

17. Sources of funding to implement the CDS or slum upgrading programme

The overall cost of the proposal amounts to **US \$1,404,000**. The amount of money requested from Cities Alliance is **US\$500,000**. The co-sponsors contributions are the following:

Co-sponsors	Contribution Amount
Ministry of Municipal Affairs (MOMA)	\$75,000
Municipalities' Contribution	\$ 112,000
RLDP:	\$660,000
(i) Specialised LED Studies	
a. Lead LED Consultant : 225,000 US \$	
b. Project coordinator assistants/local consultant: 80,000 US \$	
c. LED Sub-sector specialists: 221,000 US \$	
(ii) Consultative workshops	
d. Consultative workshops: 134,000 US\$	
World Bank	\$25,000
AFD	\$30,000
WBI	\$27,000
UN-Habitat/MOMA	\$14,000 x2

18. Partnerships

As a result of in-depth discussion with local stakeholders in the four project municipalities, support from the following organization has been obtained:

National Level:

- 1. Ministry of Municipal Affairs.
- 2. Ministry of Planning and International Cooperation.
- 3. Ministry of Environment.
- 4. Ministry of Tourism and Antiquities
- 5. Amman Institute
- 6. NGOs working in areas related to Local and regional Development
- 7. Universities carrying out training and research activities in the country

Local / Regional Level:

- 1. Greater Amman Municipality
- 2. Development Corporations in the four cities.
- 3. local development unit in each governorate
- 4. Neighboring municipalities
- 5. Community Associations and grass roots organizations; NGO's, CBO's, neighborhood committees
- 6. Concerned Departments of the different ministries in the region
- 7. Chambers of commerce and industry in the four cities
- 8. Representatives of the private sector
- 9. Amman Institute, a newly established not-for-profit organization, dedicated to urban planning and capacity building

In addition to the above the City Level Task Forces will include representatives from private sector and civil society like:

Private sector:

- The Jordan Engineers Association (JEA);
- The Jordan Architects Society (JAS);
- Jordan Developers Association (JDA)
- Jordan Contractors Association;
- Chamber of Industry;
- Chamber of Commerce;
- Micro-finance entrepreneurs;
- Landlords

National institutions:

- Housing and Urban Development Corporation (HUDC)
- Department of Urban Development, Ministry of Planning & International Cooperation
- Representatives from Public and private Utilities
- Universities
- Ministry of Public Works & Housing

And representatives of urban poor:

- City Neighborhood Committees
- Religious Congregations Christian and Muslim
- Charity Societies
- Head of the Refugee Camps
- Notables and Community Leaders
- Zakah Fund Ministry of Religious Affairs
- Non Profit Organizations such as Takiyat Um Ali Food Rations for the Poor
- Department of Palestinian Affairs (DPA) in Zarqa
- Micro-credit associations for the poor;
- National Aid Fund for the poor;

The mechanisms for public participation (especially the poor) will aim at creating a participating environment through a policy of contacts, communications day, by day in order to construct a common trust starting from the assessments and resolution of small problems giving them the concrete impression that things may change and that the institutions are their partners in the wellness of the cities including project ownership

19. Government commitment and approval

The four municipalities have committed to provide all the requirements and resources to make the preparation of the city development strategy a successful process. Letters of commitment have been sent by the four cities to the Ministry of Municipal Affairs (MOMA). It was also agreed by all stakeholders who attended the workshop entitled "Cities Development Strategies in Jordan" that took place on Tafilah city; on August 23rd – 24th, 2007, to give all aspects of support to this initiative.

The Minister of Municipalities wrote an official letter to the Mayors and city council of the four target cities informing them about the CDS proposal including a brief about the CDS process and methodology translated into Arabic. Each target municipality officially named a focal point and coordinator for the CDS Project.

The Ministry of Municipal Affairs recently conducted the following series of round meetings on CDS with the following target cities / governorates.

RLDP Management Leader started to form the following:-

- 1-Inter-Ministerial Steering Committee (Chaired by the Minister).
- 2-Technical Committee (Chaired by RD & IP Department at MOMA).
- 3-Cities Task Forces.
- 4-Local Consultative Groups.
- 5-Nomination of Local Specialists (Leader of the consultative Groups at a Local Level).
- 6-Named of Project Coordinators.
- 7-Local Economic Development work Groups.
- 8-Focal Points in each targeted municipalities.
- 9- Project Team

A. Zarqa

The Regional & Local Development Project (RLDP) team met with the Director of the Local Economic Development Unit and his team and briefed him about the CDS methodology, process and working groups at a meeting in MOMA in the presence of the RLDP director and his team

The Minister of Municipalities visited Zarqa recently and he briefly touched base with the City Council Members and community leaders on the City Development Strategy and MOMA commitment to assist Zarqa towards a successful CDS.

The City Council of Zarqa endorsed the CDS proposal and project as per attached resolution

B. Tafileh

The Mayor of Tafileh & his deputy met with the RLDP team and was briefed about the CDS process, methodology and working groups. He was updated on the workshop held in Tafileh in 2007 about the CDS under the ogranization of MOPIC.

The Minister of Municipal Affairs last April met the Mayor, City Council and local community members and touched on the City Development Strategy and how it was a laying foundation towards building the future development strategies of Tafileh governorate.

The City Council of Tafileh endorsed the CDS proposal and project as per attached resolution.

C. Mafraq

Mafraq mayor met recently with the RLDP team and the Under Secretary of MOMA to discuss Mafraq municipality deficit and its chronic debt problem in addition to launching the CDS process in the city. He was briefed about the CDS process, mythology and workforces at the municipal and governorate level.

The City Council of Mafraq endorsed the CDS proposal and project as per attached resolution

D. Karak

The Mayor of Karak and his local development unit team attended a round table meeting with RLDP director and meeting during UNHABITAT second regional conference titled "Creativity and Initiatives of Development in Arab Cities" which took place from 27 – 29 April 2009 in Amman

The City Council of Karak endorsed the CDS proposal and project as per attached resolution.

To confirm the commitment of the GOJ to local development and municipal sector reform, MOPIC issued in January 2006 a "Position Paper for Local Development in the Hashemite Kingdom of Jordan" (Annex 3). This project supports the recommendations in the paper, which were as follows: (1) increased level of decentralization in development initiatives; (2) creation of an enabling legal and regulatory environment to ensure that every institution involved in local development can fulfill its mandate, (3) increased accountability and transparency of local administrations; (4) increased participation to enhance the role of civil society and private sector institutions in local development; (5) local capacity to develop and create investment opportunities, and (6) recognizing municipalities as lead agencies for local development.

The Government of Jordan has also submitted a Letter to the World Bank reaffirming its commitment to Local Development and Cooperative Sector and to important steps that the government will take to move towards a consolidated Strategy on Local Development (LD).

The mandate of the newly aligned Cabinet provides a signal of commitment to resolving economic problems through local development as put forth in the Local Development Strategy by MOMA. MOMA is working on designing and implementing strategic plans for all municipalities that will attract investments and include development projects in participation and partnership with the public and private sectors. The aim is to create new job opportunities eventually decreasing poverty and unemployment, thus improving the financial status of the municipality and upgrading service provisions for citizens while transforming the role of municipalities in Jordan from traditional duties to an active role in local development.

The government plans to address the estimated JD60 million debt of the Kingdom's municipalities within the next three years as announced by the Ministry of Municipal Affairs. "The ministry has concluded an analytical study on municipalities' debts, which will be sent to the government to make a decision accordingly," Abu Hdeib told reporters on 26 May 2009 at a press conference.

He added that tackling the municipalities' debts will not only be in the form of direct financial handouts, but will also include supporting profit-oriented projects to enhance revenues, provide more job opportunities and create a competitive investment environment to attract the private sector. He pointed out that most debt is concentrated in major municipalities, for various reasons including over employment. In line with the government's plans to implement the proposed decentralization programme at the governorate level, Abu Hdeib added the coming stage requires a new municipalities law that keeps pace with developments in the Kingdom, expecting the new law to go into effect ahead of the next municipal elections in 2011.

IMPLEMENTATION AND FINANCING PLANS:

20. Implementation arrangements

The Grant would be implemented through a split execution arrangement by the Recipient. MOMA, RPD would serve as the overall coordinating agency and would administer funds and tasks directly associated with the four

cities, The World Bank would fill the role of lead supervising agency and co-sponsor of the application. Joint supervision missions would be carried out with AFD and locally-based development partner agencies. WBI will be providing technical support mainly on the Training and Capacity Building component.

21. Project schedule and delivery targets

Overall Project Schedule

Activity	Quarterly Schedule						Milestones	Disbursem ent US\$		
Activity		2009		2010				2011		•
	Oct	No v	Dec	1 q	2 q	3q	4 q	1q		
-Selection of lead CDS consultant and local CDS consultant -Identify National Project Coordinator -Selection of sub sector specialists - Selection Local consultant - Set up National Consultative Group - Set up City Level Task Force - Launch Workshop -Selection of an international expert on training and Capacity building - Mission of CDS lead consultant									 Develop TOR for Lead consultant and local consultant ToR developed for team members and the sub sector experts. Media campaign: Community informed about the CDS process Hired Lead CDS consultant, Local CDS consultant and subsector specialists 	\$ 188,000
-data gathering and Analysis -5 small working group consultations -Training NCG and CTF on CDS methodology -Developing comprehensive CDS training program -Conducting City Competitiveness Assessment -Executing Environmental Assessment -Carrying out Urban Poverty assessment -Conducting Municipal Assessment -Developing urban renewal strategy and master plans -Conduct Video conference on CDS experiences -Knowledge Management: Documentation Process -Preparation of a Business Plan and Training Program at Amman									 Environment Assessment Report Poverty Assessement Workshop Video conference CDS knowledge sharing sessions Municipal Assessment Training program designed and delivered Urban Renewal Strategy 	\$ 526,000
Institute -5 post assessment working group sessions -Deliver Municipal Training programs -Organizing first Stakeholders									- Capacity building strategy and training program - Report on governance improvement options	\$ 319,000

workshop - Finalize of LED Strategy -Media Campaign -Preparing LED strategy -Developing Monitoring System - Preparing and updating City Master Plans -Knowledge Management: development of Website -Develop AI knowledge tools, CDs and learning materials for further roll out of the program over time.						 Implementing 2 training workshops. LED multi city strategy Master Plans for three cities First stakeholder workshop Visioning exercise with key stakeholders of the city Active participation of civil society organizations, universities, private sector 	
- CDS lead consultant to launch a process to develop strategies and actions Six thematic groups to analyze and define possible strategies and actionsCompilation and synthesis by expert group coordinator -Elaboration of the final document -Knowledge Management				_	-	 Regional presentation Programmatic LED Strategy Active participation of national / regional and international stakeholders Project Action Plans 	\$ 257,000
-Knowledge Dissemination -Documentation process -Developing printed materials -Update Website -Development of Training CD-Rom -Study tours and exchange program with successful regional programmatic CDS						 Produce guidelines to facilitate the replication process in other cities. Active participation of regional and international experts and municipalities. 	\$ 114,000
						Grand total	\$ 1,404,000

22. Financing plan

A. CITIES ALIANCE GRANT REQUEST

Type of Expenditure

Components / Main Activities	Total (US\$)	Consulting Services (US\$)	Training/ Capacity Building (US\$)	Dissemination Costs (US\$)	Other (US\$)
PROJECT ACTIVITIES:					
Component/ Activity #1 Stage 1: Baseline Studies	210,000	150,000		60,000	
Component/ Activity #2 Stage 2: Multi-city LED Strategy	180,000	80,000	100,000		
Component/ Activity #3 Stage 3: KM and Dissemination	35,000			30,000	\$5,000
Sub-Total – Project Activities	\$425,000	\$230,000	\$100,000	\$90,000	\$5,000
PROJECT ADMININISTRATION & SUPERVISION:					
Independent Audit (1):	5,000	5,000			
Supervision Costs (2): a) fees/labour/wages b) travel costs c) office running cost	\$70,000				\$70,000
Sub-Total – Project Administration & Supervision	\$75,000				\$75,000
TOTAL A (Cities Alliance Grant Request)	\$500,000				

B. CO-FINANCING

B. CO I HARACHAG					
Co-financing Partner #1: MOMA	\$75,000	\$50,000	\$37,000	\$2,000	\$11,000
Co-financing 4 municipalities	\$ 112,000				
Co-financing Partner #2: RLDP	\$660,000				
Co-financing Partner #3: World Bank Institute	\$27,000		\$12,000		\$15,000
Co-financing Partner #4: AFD	\$30,000			\$30,000	
TOTAL B (Co-Financing)	\$904,000				

C. TOTAL

TOTAL PROJECT BUDGET COST (A + B)	\$1,404,000				
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See Guidelines for more information.

⁽¹⁾ An external audit is required upon completion or termination of project activities. Categorise this type of expenditure as "other."

(2) Incremental costs associated with the management of the project, up to a maximum of 15 percent of the Cities Alliance grant request. Categorise this type of expenditure as "other."

23. Expected currency of expenditures

Into what currency (or currencies) do you expect the grant funding (provided in U.S. dollars) to be converted? The US Dollars will be converted into Jordanian Dinars

What exchange rate assumptions have you used? The exchange rate is 1 U.S. Dollars = 0.71 JD as per Central Bank of Jordan published exchange rate on www.cbj.gov.jo

24. Co-financing arrangements

Co-financing Source **Description of Co-Financing** 1. Ministry of Municipal US\$75,000 (15%) to cover the costs of the following: fees for local coordinator Affairs (MOMA and local group experts, MOMA staff time, community engagement activities, technical support for completing the environmental assessment, CDS facilitation costs, logistics for organizing stakeholder workshops and developing necessary printed material and communication tools. This contribution would cover also the cost of undertaking the competitiveness assessment, as part of the World Bank financed Component 4 of the RLDP in Jordan. US \$ 112,000 for activities related to the study i.e. seminars, popular meetings, 2. Four Municipalities printing and publication, employee incentives, transport and accommodation by providing meeting halls, transport vehicles and logistics, human resources, telecommunication 3. *RLDP* Provides an overall contribution of US660, 000 which was included in its Component 4 technical assistance. The aim of the Component is to strengthen regional planning and ensure effective linkages and coordination among municipalities in their development planning efforts. The Component provides for specialized LED studies and consultative workshops aimed at finalizing a time-bound set of actions and strategy initiatives to support viable local development 4. World Bank The overall contribution is **US\$25,000**, which will include support to the organization of the CDS workshop. In addition, World Bank staff has assisted in preparing the proposal and will contribute staff time toward implementing and monitoring the activities financed under the grant. Contribution of \$30,000 for the urban infrastructure and poverty assessment and 5 AFD urban renewal and city master plans for Tafilah and Zaarga as part of their partnership with the World Bank in the RLDP Jordan. This contribution would also cover the cost of experts, travel and per diem. 6. **WBI** Contribution of \$27,000 in terms of staff time by providing an expert to assist in developing the capacity building component of this project. 7. UN-HABITAT/MOMA Joint contribution of \$14,000 each towards the application of the Rapid Urban Sector Profiling for Sustainability (RUSPS) and the Jordan National Urban Observatory, including staff time, workshops and production of final reports. RUSPS is an accelerated and action-oriented urban assessment of needs and capacity-building gaps at national and local levels.8

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⁸ UN HABITAT work on RUSPS and the Urban Observatories will be used to form the basis for the assessment in the four cities. The data collected during the CDS preparation will contribute to the establishment of the Baseline for the M&E system and then transferred also to the RUSPS and the Observatory

Is	all	co-financing	confirmed/committed?	Yes
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25. Costing assumptions

 $\label{eq:Annex 1.} Annex \ 1.$ Distribution of Population in Jordan during 1994 & 2004 Censuses by governorates

Governorate	1994	4	20	004
	No. of Households	No. of Persons	No. of Households	No. of Persons
Amman	271604	1576238	382674	1939405
Balqa	43575	276082	62109	344985
Zarqa	101847	639469	143421	774569
Madaba	16375	107321	22791	129792
Irbid	117507	751634	166084	925736
Jarash	18792	123190	25801	153650
Ajloun	14776	94548	20919	118496
Mafraq	26055	178914	39310	240515
Karak	26330	169770	35706	204135
Tafileh	9830	62783	13297	75290
Ma'an	12025	79670	15464	92672
Aqaba	13756	79839	18230	101736
Total	672472	4139458	945806	5100981

Annex 2.

Jordan City Profiles

1. ZARQA CITY PROFILE

1.1 History and Background

The city of Zarqa is situated 20 km to the north east of Amman. The Municipal area is 65 square km inhabited by 520,000 people. Amman is the political capital of Jordan while Zarqa with its sister city Russeifa constitute the industrial capital with 52% of the total industry in Jordan. Zarqa is at the edge of the desert. To accommodate the growth of Amman's rapidly expanding population and associated demand for low cost housing, municipal plans anticipate substantial new development to the east and south of the Amman/Zarqa area.

Zarqa was chosen at the beginning of the last century as the military site of the Jordan army which resulted in the growth of the tiny village into a bustling city. Unfortunately, with lack of planning and organization the city grew chaotically, resulting in very narrow streets, the authorities were unable to design and adopt a spatial planning policy or strategy that can cope up with city growth. As an example of ill planning, the growth of the city was also directed towards the establishment of refineries and thermal plants, currently sources of pollution

1.2 Social, environmental and economic characteristics

Economic

Zarqa is Jordan's industrial center, with 50% of the country's industry located in the city. This is the result of in expensive real estate and the city's closeness to Amman (15 km southwest). The majority of the people work in low income jobs like soldiers, technicians and laborers. The city developed rapidly to house the families of workers and to service the local industries. Zarqa is also a road hub and excellently connected to all other centers in Jordan. It is also an important business center. Due to low land prices the city is also characterized with the existence of poor neighborhoods. Contrary to a general trend in Jordan whereby building construction has decreased, Zarqa has been witnessing a major increase in such activity in the last three years due to the availability of affordable land.

Social

The population of the Zarqa governorate constitutes around 18% of the Kingdom's population and is considered as one of the poorest spots in the country. The natural population growth is higher than that of the country (3.2% compared to 2.8%). The size of the family is 7 and the unemployment level is again the highest in the Kingdom (13%). Population density 7.68 persons / dunum, and the squatter settlements it could range between 120 - 160 persons / dunum

The Progress in poverty reduction in Jordan has been geographically uneven. In Zarqa, poverty has significantly increased from 16% to 22 % (2002-2003). The increase in unemployment registered in Zarqa (from 11% to 14%) and the steep rise in National Aid Fund (NAF) claimants⁹, indicate that living conditions must have worsened in Zarqa. There are two key tentative explanations why poverty in Zarqa increased. First, there was reportedly a major decline in economic activity following the shifting of military camps stationed in Zarqa to other governorates. All the support services to the military establishment in Zarqa may have been adversely affected. Second, the informal sector provides a key support for economic activities in the governorate. Between 1997 and 2001, the total number of private establishments employing five or more workers declined the maximum in Zarqa by 169 units.

Environment

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⁹ The National Aid Fund was established in 1986 with the main objective of enhancing and institutionalizing the social safety net. The NAF originally provided untargeted, generalized subsidies on foodstuffs.

As Zarqa hosts 50% of the industry including the oil-refinery, the thermal power plant and the main sewage treatment plant, Zarqa and Russeifa are considered the most polluted cities in, needless to say, it has had an adverse effect on the health of the population and hence creates great difficulties for the Municipality.

The area of the Zarqa River Basin is about 3,900 km². The Zarqa River is controlled by the King Talal Dam which provides a storage capacity of 86 MCM. Connected through a canal and pipes to the King Abdullah Canal, the river provides irrigation for a further 8,400 hectares of land. Withdrawals for water supply from aquifers in the upper Amman-Zarqa groundwater basin have reduced the natural base-flow of the Zarqa River. The flow characteristics have been further modified by the discharge to the river of treated domestic and industrial wastewater that compose nearly all of summer flow and substantially degrade the water quality

Air pollution is high around industrial areas. Wastewater from partially operated treatment plants is causing severe pollution to surface and groundwater resources. Solid waste management is a big challenge in a heavily populated and industrialized region. Natural resources are increasingly exploited for development activities. Land use plans are not taking into consideration environmental impacts and the loss of the scarce vegetation cover is ever increasing. Linked to increasing poverty and degraded livelihood conditions, the environmental impacts are magnified.

This situation has undermined the quality of life of residential communities in the area. It has also negatively impacted on the competitiveness of the business environment. The close interface between residential and industrial activities in the area has also created tensions between residential communities, government and industry regarding future development in the area.

1.3 City Challenges

- 1. Environmental pollution, Zarqa is considered one of the hottest pollution areas in the middle east as a result of the factories, oil refinery, solid wastes dump, waste water treatment plant, electricity generating company, Zarqa river, and others that can be found through out the city.
- 2. Growth of informal settlements, resulting in issues of service provision and other social problems associated with poverty like the increase in the crime rates,
- 3. City structure unable to absorb the expansion of the city due to in-migration.

e. <u>CITY PROFILE</u>

2.1 History and Background

3. AL TAFILAH CITY PROFILE

3.1 History and Background

Tafilah is a small city with an area of about 11.02 square km inhabited by 46.815 people in the south of Jordan 183 km away from Amman. Tafila city is considered as the center of the Tafila governorate which consists of four municipalities including Al Tafila Greater municipality. Tafila was known by the nature springs (there were 360 natural springs) including the hot springs of Afra and Borbeata, in addition to the magnificent mountain nature like Dana natural reserve. There are two phosphate and cement mines in Al Tafila governorate which forms one of the main Jordan's income sources

3.2 Social, environmental and economic characteristics

Social:

Most of residents in Tafila municipality are conservatives which affect on the spatial interactive between the city and the surrounded cities within the southern region. Al Tafila city considered as the third poorest city in the country. The poverty ratio in the city is about 24.3 and the unemployment percentage is about 22.2 from the citizen.

The number of employments in the city doesn't exceed 4986 most of them work on administrative and army sector. The income average for the most of citizens constitutes around (1200-2400) JD/year.

Economic:

Agriculture: Al-Tafila is considered as one of the top cities in Jordan that are known for production of olive in addition to the other sorts of agriculture like grape .apples and cashews. The area of about 31.685 square km. is an olive growing area with estimated productivity of (1500 tons). There are four olive mangles. But unfortunately this agriculture faced a lot of obstacles, majorly the lack of effective mechanisms for marketing.

Tourism:

Tafilah governorate is famous for the Dana Nature Reserve. The Dana project was a \$3.3 million initiative negotiated by the Government of Jordan, Royal Society for the Conservation of Nature (RSCN), the World Bank and the United Nations Development Programme (UNDP). Its main aims were to ensure the conservation of biodiversity of the Dana Wildlands Reserve and to enhance the capacity of RSCN to conserve biodiversity throughout Jordan. In 1997, the Global Environment Facility granted another \$3 million to continue and expand the effort. As of 1997, the Dana Project has created 10 full-time and 26 part-time jobs, provided additional income for 86 villagers, generated 3 small businesses and \$56,000 in sales and put \$48,000 directly into the village economy (15).

Despite the proximity of Tafilah city to the Dana Reserve and the hot springs in Afra and Borbeata, Tafilah has yet to be explored and developed as a key tourism base for eco-tourism or people seeking natural therapeutic excursions to the hot springs.

<u>Industry</u>: as we mentioned in the background section of this profile there are tow phosphate and cement mines in tafila, and there is a yogurt factory built which financed from MOMA in cooperating with development Industrial bank and other local parties. There are ten companies sorted as middle companies with capital do not exceed 100.000 JD but the majority of other projects are small projects. Although there are tow main factories in Tafila but the economic impact of the existing factories on the city still very weak.

Education: during the year 2005 the government of Jordan established Al Tafila Technical university with capacity of 2350 student which create 150 job opportunities for high qualified persons un the technical field, in addition to other 1051 job opportunities form different fields .this affect positively on the development level of the city by attracting the students and families to settle down in the city and starting investments like restaurants and internet cafés which create further job opportunities for the residents .

- 3.3 City Issues and Challenges: (to be added)
 - 1. The Increased rates of poverty and unemployment.
 - 2. The lack of infrastructure that serve the investment in the city. In addition to lack of recreation facilities in the city (there is not even a single park or playgrounds for children in the whole city)
 - 3. The high rates of out-migration among the qualified persons of the city.
 - 4. The need to develop the city center.

Annex 3.

Position Paper for Local Development in The Hashemite Kingdom of Jordan

The Government of the Hashemite Kingdom of Jordan (GOJ) has in the last few years recognized the importance of Decentralization and Local Development as an apt approach to meet the aspirations, needs, and quality of life of the citizens. Historically, the public sector and its agencies were recognized as the appropriate vehicle to fulfill Local Development. However, this has led to marginalizing the actual actors such as municipalities, NGO's, Private Sector, CBO's and civil society, and consequently impacted on the whole Local Development operating environment as translated through legislation, local capacities, and citizens' perception of local development. More recently, the Government's perception of Local Development shifted to one of enabling the actual sub-national stakeholders to carry out their responsibilities, thus, shifting the focus of the central public sector from one of implementation to one of facilitation and coordination.

This vision has been clearly spelled out in His Majesty King Abdullah address to the nation on 27th January 2005, when he announced plans to decentralize local government by redrawing regional (provincial) administrations that are to be run by publicly elected local councils. Emphasizing that political, social, economic and administrative development is an integrated process; King Abdullah said that it is "essential to expand the base of public participation in that process."

He went on to explain that the new bottom-up strategy of striving for better local governance is seen as a strong public participation empowerment mechanism that will better guarantee efficiency in the provision of local services and encourage political participation, "As political development is the gateway to the full participation of all segments of grassroots and civil society institutions in the various aspects of the development process, I assert here that political development should start at the grassroots level, then move up to decision making centres, and not vice versa".

His Majesty went on to mandate his Government with elaborating his vision for decentralization and local development into a national implementation plan when he said "As we have affirmed always, reform is not an option but a necessity for the new Jordan we seek, towards which important strides have been made. Thus the government is required to uphold reform both as a concept and as a daily practice. Democracy, as is well-known, is a culture and practice, not a collection of mere slogans to be uttered on appropriate occasions. The government, then, is asked to institutionalize the processes of reform, modernization and development, and in that vein, the recommendations of the National Agenda and Administrative Regions committees could be considered guidelines on which the government could draw in designing a comprehensive reform program.

"In light of the output of these two committees, the government is required to draft a number of laws in a speedy and urgent manner, with consideration to modernity, justice and social changes. The intended legislation includes a new elections law, a political parties law and a municipalities law. These should facilitate the renewal of our political and parliamentary life, guarantee wider participation in decision-making and contribute to placing our country on the map of creative, progressive countries which interact with and adapt to circumstances in accordance with our people's interests in the age of globalization and competition in which only productive people, free citizens and law-abiding states thrive."

The main features of the Government of Jordan's current vision for local development can be summarized in the following conceptual framework:

• The national consensus on the definition of local development as: "a participatory planning effort directed to mobilize all efforts in society, and motivating its potential in order to create a better standard of living for the citizens in their localities".

- Hence, it is imperative that the process of decentralization be as inclusive as possible, with all stakeholders involved in local development being integrated into the process. Stakeholders involved include: public institutions (departments of line ministries acting at the regional level), institutions of civil society (such as municipalities, NGO's, charity organizations, Cooperatives, etc.), and the private sector.
- It is understood that the above institutions collectively are responsible for comprehensive and sustainable local development and, as such, it is crucial to enhance their role and empower them to become active partners in the decentralization process.

Challenges:

- High rate of development discrepancies between different areas of the kingdom
- High levels of centralization in decision making (including centralized budgets and sectoral distribution) and a
 culture of concentrating on the public sector as the main and often the only development locomotive, whilst
 disregarding the roles of other potential partners.
- Unclear relationships (both horizontal and vertical) between different official administrative levels on one hand and between civic institutions and the public sector on the other.
- Weak capacity at the local council level.
- Modest role of local economies and consequent poor local own-source revenue bases.
- Inactive roles of civil society institutions and the private sector in the local development process .
- Insufficient integration between some of the legislations regulating the local development process.

The vision ahead *:

- A higher level of decentralization in developmental activities
- Enabling legislation pertaining to the integral roles of all concerned parties working on local development.
- Accountable and transparent local administrations, capable of providing high quality services to their constituencies irrespective of geographical jurisdiction.
- Increased participation to enhance the role of civil society and private sector institutions in local development.
- Localities capable of developing and creating investment opportunities.
- Recognizing the municipality as the primary or lead local development entity.
- * The vision ahead is based on the guiding parameters laid down in the Royal Letter of Designation to H.E. the Prime Minister:
- "... the aspirations of our people and the higher strategic goals we are committed to achieving for every citizen, male and female, through building a modern Jordan, capable of production and competition, whose people are knowledgeable and cultured and seek a place among the advanced countries in terms of development and cultural and civilizational values that are translated into democracy, pluralism, equal opportunity, rule of law, openness, modernity, public freedoms, security and internal stability, that eschew incitement and violence.

These goals impose on you and your colleagues the missions and principles which I hope the government will implement and commit to according to scientific rules and mechanisms that can be implemented. Our people deserve that we exert all our efforts and dedicate our time to enhancing their living standards and to raising living standards to be among the best and most modernized, to a standard in which the people closely monitor the government's work of the government, confident and optimistic that the government will be unhesitant in continuing its effort to continue the march of production, development and reform".

Steps on the Road:

To address the challenges, achieve the development objectives and bring the vision into reality, GOJ currently is both implementing and preparing a number of programs, projects, and activities with the assistance of external support agencies. The main projects being undertaken are listed in the attached matrix. Each of the support projects listed addresses one or more of the facets of decentralization, including building decision-making and implementation capacities at the national and sub-national levels; strengthening participatory planning processes both between the central government and sub-nationals and between local councils and their constituents and thus, in turn, addressing concerns of poverty alleviation and local economic development; and importantly, development of a national coordinating framework.

Conclusion:

Local development is a well established objective adopted by governments internationally and within the MENA Region in order to achieve greater grassroots involvement by local communities in setting local development priorities, in providing more efficient and effective delivery of public services, in addressing inter-jurisdictional inequalities in service provision, and ultimately in better targeting poverty alleviation measures. The Government of Jordan enjoys support for its local development agenda from the highest political level. The greatest challenge it faces therefore; is to implement/transform this political will into workable implementation program and coordinate the efforts of all stakeholders in the country.

ANNEX 4 Selected Tables from Poverty Assessment, 2004

Table 1: Change in Poverty by Governorates, 1997 and 2002

Governorates	1997	2002
Karak	13%	12%
Mafraq	36%	25%
Zarqa	16 %	22%
Tafilah	24%	10.6%
Jordan	21.3%	14.2%

Source: Jordan Poverty Assessment (2004), World Bank

Table 2: Youth Unemployment among the Poor, 2002

Governorates	2002
Karak	48%
Mafraq	51%
Zarqa	45%
Tafilah	50%
Jordan	42% (poor) 36% (non-poor) 37
	% (avg.)

Source: Jordan Poverty Assessment (2004), World Bank

Table 3: Pockets of Poverty in Jordan

	Governorate	District	Sub district	% of poor	Poverty Gap	t for zl	t for Gap1
1	Mafraq	Al Badiyah Al Shamalliyye h	Rwaished	73.3	28.2	20.7	7.7
2	Aqaba	Qasaba	Wadi Arabah	53.5	20.0	19.4	6.7
3	Zarqa	Al Qasaba	Al Dhlail	52.2	12.3	13.0	5.4
4	Mafraq	Al Badiyah	Al Salihiyyeh	48.2	15.2	7.9	6.9
5	Ma'an	Al Qasaba	Al Husayniyye h	46.9	15.6	5.3	6.0
6	Ma'an	Al Qasaba	Al Jafr	46.0	12.7	high	high
7	Zarqa	Al Qasaba	Beerain	42.3	7 8.5	6.1	4.4
8	Ma'an	Al Qasaba	Al Mraighah	41.3	12.6	3.6	3.6
9	Zarqa	Al Qasaba	Al Azraq	40.3	8.7	21.6	17.0
10	Aqaba	Al Qwairah	Al Qwairah	36.0	11.3	5.5	4.0
11	Mafraq	Al Badiyah Al Shamalliyye h	Dair Al kahef	35.2	10.2	5.3	6.6
12	Mafraq	Al Badiyah Al Shamalliyye h	Al Um Aljimal	34.6	8.7	9.4	5.4
13	Karak	Southern	Ghoor Al	34.3	7.3	11.5	9.2

		Ghors	Safi				
14	Amman	Al Jiza	Al Jiza	32.0	7.3	5.0	3.3
15	Mafraq	Al Qasaba	Hoosha	31.6	8.1	2.7	2.3
16	Zarqa	Al Qasaba	Al	29.0	7.4	10.3	6.1
			Hashimiyye				
			h				
17	Mafraq	Al Qasaba	Sama Al	28.1	8.0	4.9	3.0
			Serhan				
18	Balqa	Dair Alla	Dair Alla	27.6	5.7	6.7	4.3
19	Balqa	Souther	Souther	27.1	7.6	4.9	4.4
		Shouna	Shouna				
20	Amman	Al Jiza	Um alrasas	26.6	6.7	3.3	2.4

Source: Jordan Poverty Assessment (2004), World Bank

Annex 5 Additional Description Stages of Multi-City Strategy

Stage 1: Organization of Effort and Establishing Baseline Situations

a. Launch stakeholder workshop and organization of effort: Upon commencement of the CDS program, each city will formally establish a multi-stakeholder City Level Task Force, mobilized from the Governorate, local governments, private sector and civil society to ensure local ownership. The four task forces will be coordinated and supervised by a National Consultative Group consisting of representative from the City Task Force, an international CDS expert, Local CDS consultants and representatives from donor organizations sponsoring the CDS. The NCG would be anchored at and supported by the Regional Planning Department of the Ministry of Municipal Affairs. An appointed focal point at RPD would oversee Government-wide support program to the cities implementing their CDS and would bring technical assistance and support to them as needed. The local authorities would provide institutional assistance to both the City Task Force and the National Consultative Group. The international consultant will be competitively selected and will be responsible for (i) providing on-the-job training to cities and their local consultants on CDS planning concepts, (ii)carrying our SWOTS, (iii)applying participatory approaches and (iv) monitoring and evaluation of CDS implementation.

b. Capacity Building and Training Component: the approach will be to build a holistic and programmatic capacity building and training program for municipalities in Jordan, while also building the capacity of the Municipality of Amman to become a national and regional center of Urban Excellence. In particular:

The World Bank Institute (WBI) in partnership with the GAM will contribute its expertise in developing a municipal training program. The program will meet the immediate capacity building requirements of the CDS project beneficiaries while also taking into account the broader capacity gaps in the recently amalgamated municipalities in Jordan. Where WBI will bring broad training curriculum and design expertise; GAM would bring important practical experience in implementing municipal reform and organizational change processes in the areas of planning, municipal financing and organizational restructuring. The aim is to closely align and coordinate the training program with the capacity building objectives laid out in the World Bank/AFD funded Regional and Local Development Project (RLDP) - which aims at strengthening municipal budgeting, revenue generation, urban planning, investment project analysis, feasibility study preparation and participatory governance. The goal is to establish a foundation course on the above topics that can be a model for off-the-shelf reuse during the implementation of the Jordan RLDP and broader national level municipal sector capacity building initiatives after the completion of the CDS project. Partnership forged with GAM under this initiative will enhance the sustainability of support capacity in the country, and would be the likely delivery agency for such training programs over time. This approach would build on the broader-based national initiative aimed at developing local government capacity in regions outside Amman, while retaining the know-how and expertise in country. It is also in line with Cities Alliance's aim of expanding city-specific approaches to helping create a "national" enabling environment for city development.

Support would be provided in strengthening GAM to become the service delivery capacity that would in turn be involved in the delivery of technical assistance and training to other Jordanian municipalities. Such efforts are already underway informally through assistance the City of Amman is providing to the city of Zarqa, but which now requires a more strategic approach underpinned by a longer-term strategy for capacity development.

Within the scope of this project, the target audience will be stakeholders from the four project cities Mafraq, Karak, Tafilah and Zarqa. In addition, Members of the City Task Force (CTF) will also be trained on CDS methodologies by a CDS expert who will assist the CTF in the preparation of various technical assignments, including preparation of TORs and launching of data gathering and analytical activities. A level one evaluation of all training courses and sessions delivered will be carried to gauge participant satisfaction on the relevance and usefulness of the course.

c. *Data collection:* At the national level a review will be carried out by the International Consultant of national policies, legislation and regional strategies as it applies to cities and local governance. At the same time, each city will start collecting and analyzing information that could establish the basis for an assessment of the city's competitive advantages. The collection and review of data will be done by local consultants and firms with support from an international competitiveness specialist.

- **d. Sector Studies**: Linked to data collection and led by the International Consultant, the following studies will be carried out to fully understand the social and economic challenges faced by Mafraq, Karak, Zarqa and Tafilah:
 - <u>Soico-Economic Assessment</u>: study of the city and regional economies, strengths and weakness in the context of regional, national and global economies, analysis of rural-urban linkages, competitive analysis.
 - <u>Urban Infrastructure</u>, <u>Poverty Assessment and Social Services Study</u>: Assessment of infrastructure and social services and incidence and depth of urban poverty. The report will also propose investment needs, costing, sequencing and identification of potential financing sources.
 - <u>Environmental Assessment:</u> This assessment will review and compile existing data and studies on environmental issues with a focus on Zarqa given its acute environmental conditions. It will seek to analyze issues and risks associated with: wastewater, drinking water and industrial wastes. A broader less detailed assessment will cover the city of Tafilah as well.
 - <u>Municipal Management and Capacity Assessment:</u> An assessment of the municipal management; role and responsibilities and quality of municipal services delivery will be carried out.

All studies will be presented by the consultants and discussed in stakeholder meetings at the city level.

e. Diagnosis of the city Strengths, Weaknesses, Opportunities and Threats (SWOT Exercise) and Visioning Workshop: Stage 1 will culminate in a multi-stakeholder workshop where city representatives of Mafraq, Karak, Zarqa and Tafilah and their respective task force will come together to carry out SWOT analysis for their cities and develop an agreed vision for city development. The socio-economic, urban poverty and environment assessment documents will represent basic inputs to this process.

Stage 2: Development of a Programmatic Multi-City LED Strategy

a. Development of a Programmatic Local Economic Development Strategy for Mafraq, Karak, Zarqa and Tafilah. Through stakeholder consultations a strategic framework for city development will be prepared based on studies carried out, SWOTs and individual city vision. The development strategies will be accompanied by action plans which will include priority actions and investments. The action plan would provide a framework for improved rural-urban linkages. It would form the basis for support to cities from the private sector, donors and the government.

A process will be launched where working groups will be established to analyze and define possible strategies and actions (projects) to achieve the desired vision. The results from this exercise will be further discussed by smaller working groups to fine tune some actions and define the scope of implementation. The lead CDS consultant will be in charge of compiling and synthesizing documents produced by the working groups.

- **b. Development of a Monitoring System**: Once the CDS program is launched a committee will be set up to develop performance standards and time bound monitoring indicators for the Cities to measure the progress of the project in the short term and its growing economic prominence in Jordan in the long term. A consultant will be hired to establish a CDS Monitoring and Evaluations system and at the same time train the CDS City Task Force (CTF) and the municipal officials.
- **c.** Training and Capacity Building of Municipalities: The WBI/GAM-led training program developed during the first stage of this project will be delivered to staff at the three municipalities of Mafraq, Karak, Zarqa and Tafilah to strengthen their capacity in fostering local economic development and attracting investment. The training will also aim at improving urban management practices, municipal budgeting, participatory governance and asset management.

Stage 3: Knowledge Management and Dissemination:

Finally, the strategy shall be documented and made accessible to all stakeholders. Feedback on the Programmatic LED Strategy shall be encouraged and taken into account.

 a. International Stakeholder conference: This meeting will gather a broad range of representatives in addition to key people from other Maghreb and Mashreq municipalities. The Programmatic LED Strategy and related action plan will be presented for validation and

- final approval. At the workshop lessons learned by each city will be discussed and transferred to mayors, senior municipal officials and stakeholders of other cities in Jordan.
- b. **Development of a website** where all sector studies, the comprehensive Regional Development Strategy and other related material coming out of the program will be posted.
- c. **Document the CDS training program as a CD-Rom** resource for use as an off-the-shelf product available to all municipalities that intend to carry out their own local training programs.

Table 1.18: Pockets Of Poverty In Jordan

	Governorate	District	Sub district	% of poor	Poverty Gap	t for zl	t for Gap1
1	Mafraq	Al Badiyah Al Shamalliyye h	Rwaished	73.3	28.2	20.7	7.7
2	Aqaba	Qasaba	Wadi Arabah	53.5	20.0	19.4	6.7
3	Zarqa	Al Qasaba	Al Dhlail	52.2	12.3	13.0	5.4
4	Mafraq	Al Badiyah	Al Salihiyyeh	48.2	15.2	7.9	6.9
5	Ma'an	Al Qasaba	Al Husayniyye h	46.9	15.6	5.3	6.0
6	Ma'an	Al Qasaba	Al Jafr	46.0	12.7	high	high
7	Zarqa	Al Qasaba	Beerain	42.3	7 8.5	6.1	4.4
8	Ma'an	Al Qasaba	Al Mraighah	41.3	12.6	3.6	3.6
9	Zarqa	Al Qasaba	Al Azraq	40.3	8.7	21.6	17.0
10	Aqaba	Al Qwairah	Al Qwairah	36.0	11.3	5.5	4.0
11	Mafraq	Al Badiyah Al Shamalliyye h	Dair Al kahef	35.2	10.2	5.3	6.6
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13	Karak	Southern Ghors	Ghoor Al Safi	34.3	7.3	11.5	9.2
14	Amman	Al Jiza	Al Jiza	32.0	7.3	5.0	3.3
15	Mafraq	Al Qasaba	Hoosha	31.6	8.1	2.7	2.3
16	Zarqa	Al Qasaba	Al Hashimiyye h	29.0	7.4	10.3	6.1
17	Mafraq	Al Qasaba	Sama Al Serhan	28.1	8.0	4.9	3.0
18	Balqa	Dair Alla	Dair Alla	27.6	5.7	6.7	4.3
19	Balqa	Souther Shouna	Souther Shouna	27.1	7.6	4.9	4.4
20	Amman	Al Jiza	Um alrasas	26.6	6.7	3.3	2.4