The Evolving Regional Urban Agenda
Key Challenges And Opportunities

Mona Serageldin
March 18, 2013
SHARED CHARACTERISTICS

- Strategic location
- Geographic features
- Historical legacy
- Ethnic and religious diversity
  * Vulnerability to climate change
  * Centralized legal and institutional traditions
- Large, young labor force
- High unemployment
- Disfunctional land markets
- Frequent incidence of conflicts
90 UNESCO World Heritage Sites in MNA


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Declining precipitation caused by climate change will exacerbate water scarcity.
Water scarcity is the greatest environmental stress and a potential source of conflict.

Pricing issues complicated by cultural traditions.

Renewable Water Available and Total Water Withdrawn per Capita

- **Renewable Water Resources (2011)**
- **Total Water Withdrawn (2002 or 2006)**

Water scarcity is the greatest environmental stress and a potential source of conflict. Pricing issues complicated by cultural traditions.

POPULATION AND URBANIZATION

• 106 million new urban inhabitants by 2030
  • National urban growth rates range from 0.88% (Lebanon) to 6.25% (Qatar)
  • Urban population ranges from 32% (Yemen) to 98.8% (Qatar)

• Largest youth cohort in the world
  • 114 million, about 25% of the regional population, fuels demand for employment, housing, infrastructure, and public services

UN's World Urbanization Prospects 2011 revision.
UN-DESA, Statistics Division, Millennium Development Goals Indicators (2009)
Typical Population Pyramids

25% of regional population aged 15-29 - A key determinant of change

Data Source: UN's World Population Prospects 2010 revision.
Youth Unemployment (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>Female</th>
<th>Male</th>
<th>Year</th>
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<td>Israel</td>
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<td>2010</td>
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</table>

Data Source: World Bank Indicators
Stock of International Migrants/Expatriate Workers in Selected Countries

Data Source: UN Department of Economic and Social Affairs – Population Division. Trends in Total Migrant Stock: The 2005 Revision

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Urban population projections, 2010 – 2030


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Urban Dynamics

Urbanized Area:
2006: 680 sq. km.
2007: 1,680 sq. km.

Population Growth

Source: Greater Amman Municipality
HIGH COSTS AND RAPID APPRECIATION OF URBAN LAND

• Land values double approximately every 3 years.

• Widespread speculation.

• Political and business elite control of large land tracts with high development potential.

• Developers/builders flouting laws and regulations to increase the intensity of land use.

• Progressive squeezing out of limited and middle income households from legal access to land.

• Spread of self managed and self financed informal building activities.
Addressing the challenge of informal settlements

• Over 70% of the population living in informal settlements is living in the larger cities.

• Since the 2011 unrest started, informal urbanization has accelerated and settlements have densified in Egypt, Syria, Lebanon, Tunisia, Morocco.

Photo: Mona Serageldin
Built-up areas – especially informal settlements – increasingly exposed to risks.
Some of the countries have made great strides in servicing slums and informal settlements.

<table>
<thead>
<tr>
<th>Country</th>
<th>Slum population as percentage of urban</th>
<th>2005 Slum population in urban areas</th>
<th>Slum population as percentage of urban</th>
<th>2007 Slum population in urban areas</th>
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<td>13.1%</td>
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<td>Yemen</td>
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<td>76.8%</td>
<td>5,140,423</td>
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</table>

Source: UN-DESA, Statistics Division, Millennium Development Goals Indicators

Photo: John Driscoll
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Solid Waste Management

- Solid waste exceeds capacity of most cities to collect and dispose of it.
- Financial constraints hamper phasing out of unsanitary open dumps.
Urban Transportation and Mobility

- Lagging public transport unable to meet rising demand
- Lax controls over private operators
- Rising car ownership
- Inefficient traffic management
- High cost of transport and congestion affects particularly the urban poor
Destruction of infrastructure as a result of wars, conflicts and turmoil aggravates service deficiencies.

High Vulnerability of Cities to Natural Disasters

- 418,000 AFFECTED BY NATURAL DISASTERS IN REGION IN THE PAST DECADE MOSTLY IN IRAN, SYRIA AND DJIBOUTI.
- Inadequate infrastructure, limited capacity and lack of preparedness impairs local ability to deal with natural disasters.
- In case of disasters, civil unrest and other emergencies, poor neighborhoods have mostly to fend for themselves as happened during the turmoil of 2011.
INADEQUATE INFRASTRUCTURE AND PUBLIC SERVICES

• Inability to keep up with accelerated urbanization financed by remittances
• Absence of an integrated urban development strategy at all levels of governance
• Lack of local financial and technical resources.

Photo: Giza, Imbaba/Bulaq El Dakrour, Egypt
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Income Inequality
Latest available figures (2002-2010)

- Income share held by the lowest 20%
- Income share held by the highest 10%
- GINI

<table>
<thead>
<tr>
<th>Country</th>
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<th>Income share held by the highest 10%</th>
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<td>9.2%</td>
<td>30.77</td>
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<td>Qatar*</td>
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<td>Tunisia</td>
<td>5.9%</td>
<td>32.5%</td>
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*incomplete data

Source: World Bank Indicators

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Top Five Most Important Issues for Egyptian Youth, 2011

- Jobs and Employment
- Corruption
- Security
- Wages/Salaries
- Constitutional Reform
- Education
- Poverty and social
- Housing
- Democracy/free elections
- Transitional Government


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THE 2011 TURMOIL

• Rejecting the legitimacy of an authoritarian and acquisitive ruling elite

• Objecting to the rising cost of food, energy, and housing, low salaries and unavailability of jobs

• Demanding change jobs and equity

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Projected Job Creation Needs, 2015 and 2020 to Absorb Expected Labor Force Growth
(assuming continuation of current Labor Force Participation Rate trends)

New jobs needed by 2020:

- **Egypt**: 10,017,000 (715,526 annual)
- **Morocco**: 12,397,000 (180,000 annual)
- **Algeria**: 2,325,395 (232,540 annual)
- **Syria**: 2,875,000 (221,000 annual)
- **Tunisia**: 846,000 (84,600 annual)
- **Jordan**: 734,912 (61,243 annual)
- **Lebanon**: 1,535,000 (15,000 annual)
- **OPT**: 394,504 (35,864 annual)

2008 employed

2008 unemployed

2015 job creation needs

2020 additional job creation needs

Job Creation Needs (years and methodologies vary, see source):
Employment and LF: ILO LABORTA and WB Indicators

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A new focus on developing information technology, “technopoles”, high tech industries and financial services in all countries of the region.

The Smart Village in Cairo

Photo credit: Mona Serageldin
UNBALANCED SPATIAL DEVELOPMENT

• A long history of imbalances in the geographical distribution of development.

• Oil, gas and petrochemical industries have favored the industrial dominance of coastal cities.

• Few national spatial development strategies in MNA.

• Regional development plans suffer from:
  • project-driven proposals with a bias towards areas where investment in land development is lucrative
  • sector-specific projects focused on export industries
  • lack of coherence among investments
80% of Morocco’s industrial commercial and services activities are located in Rabat/Sale, Tangiers and Casablanca.
40% of Egypt’s industrial activities are located in Alexandria

ALEXANDRIA’S LOW-LYING AGRICULTURAL LAND WITH INFORMALLY URBANIZING VILLAGES HOUSING ABOUT 400,000 PERSON IS THE AREA AT HIGHEST RISK.

Data Source: Google Maps and Governorate of Alexandria
Morocco’s Housing-Oriented National Strategy
New Town Development

Marrakesh Area
Coastal Corridor
Rabat-Casablanca Corridor
Tangiers Region

Data Source: Al Omrane

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Lebanon National Master Plan

- Defining networks of major urban centers with complementary functional roles.

- Corridor linkages to promote development of secondary cities.

MENA countries are among the most centralized in the world with some of the lowest total local government expenditures.

- Asymmetrical decentralization
- Important urban development decisions are taken at the central level.
- Financial management is done by the national treasury with opaque formula-based transfers to local authorities.

Data Source: The World Bank

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Land as a Prime Instrument of Public Finance

- Urban land has become the choice source of financing infrastructure and urban development.
- Facilitating access to land primarily through price subsidies has become a key incentive to promote private sector development of affordable housing.
- Land is being increasingly used as the public contribution to Public-Private Partnerships.
- Siting projects on publically owned parcels on the urban fringe where low land values do not erode feasibility and affordability.
Al Omrane of Morocco

- Morocco: Al-Omrane - affordable housing, including in new towns, for the relocation of bidonville dwellers
• Egypt: Informal Settlements Development Facility – upgrading with land readjustment in slum areas and prioritizing settlements in hazardous locations
Financing Infrastructure – Methods Capitalizing on Land Value Capture and Development Potential:

- Land readjustment / reblocking, which can release land to cover the cost of infrastructure and community facilities in infill and in-situ upgrading projects.
- Pre-financed servicing of built-up middle income areas through partnerships between municipalities and property owners.
- Partnership with community based organizations and NGOs for place-based environmental improvement projects.
CRITICAL CONCERNS IN MENA

1. Generating urban employment to absorb all categories of unemployed by age, gender, level of education and skills.

2. A special focus on youth (15 – 30 age groups)

3. Strengthening the capacity of cities and building their revenue base.

4. Reducing regional disparities by drawing development along corridors towards nodes in laggard regions.

5. Addressing planning and management problems in metropolitan regions.