URBAN AND TERRITORIAL DEVELOPMENT PROJECTS IN THE MEDITERRANEAN

A Compendium of Experiences of the CMI Urban Hub
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Disclaimer

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\(^1\) The CMI Urban Hub includes AFD, Codatu, Avitem, Cities Alliance, EIB, GIZ, MedCities, UCLG-MEWA, UN-HABITAT Regional Office Arab States, and the World Bank. It is a key mechanism for joint programming between the CMI and its partners.
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Abbreviations

AAVB  Agence pour l’aménagement de la vallée du Bouregreg
AECID  Agencia Española de Cooperación Internacional para el Desarrollo
AICS  Agenzia Italiana per la Cooperazione allo Sviluppo
AFD  Agence française de développement
AIMF  Association internationale des maires francophones
AMPCC  Association marocaine des présidents des conseils communaux
ARP  Assemblée représentative du peuple
ARRU  Agence de réhabilitation et de rénovation urbaine
ART  Articulation des Réseaux Territoriaux pour le Développement Humain et Durable
AViTeM  Agence des villes et territoires méditerranéens durables
BMZ  Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
CBO  Community-Based Organization
CDG  Caisse de Dépôt et de Gestion
CDR  Council for Development and Reconstruction
CDS  City Development Strategy
CFAD  Centre de formation et d’appui à la décentralisation
CGDR  Commissariat général au développement régional
CGSP  Contrôleur Général des Services Publics
CHUD  Cultural Heritage and Urban Development
CILG-VNGi  Centre international de développement pour la gouvernance locale innovante
CMI  Center for Mediterranean Integration
CoMun  Coopération municipale
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Urban and Territorial Development Projects in the Mediterranean
A Compendium of Experiences of the CMI Urban Hub

COP22

CPSCL
Caisse de Prêt et de Soutien aux Collectivités Locales

CVDB
Cities and Villages Development Bank

DDR
Direction du développement régional

DAC
Département accompagnement clientèle

DGA
Directorate General of Antiquities

DGU
Directorate General for Urban Planning

ECM
Egyptian Company for Metro Management and Operation

EIB
European Investment Bank

FCP
Facts, challenges and projects method

FNVT
Fédération nationale des villes tunisiennes

FOGARIM
Fond de garantie des prêts au logement

FSH
Fond de solidarité habitat

GCR
Greater Cairo Region

GIZ
Gesellschaft für Internationale Zusammenarbeit

GOI
Government of Israel

GOPBA
Global Partnership on Output-Based Aid

HAO
Holding d’aménagement Al Omrane

IBRD
International Bank for Reconstruction and Development

ICSID
International Centre for Settlement of Investment Disputes

IDA
International Development Association

IETT
Istanbul Electric Tramway and Tunnel

IFC
International Financial Company

IMM
Istanbul Metropolitan Municipality

KTC
Knowledge Transfer Center

LG
Local government

LGU
Local Government Units

Lydec
Lyonnaise des Eaux de Casablanca

MAD
Moroccan Dirham

MDICI
Ministère du développement, de l’investissement et de la coopération internationale

MDLF
Municipal Development and Lending Fund

MDP
Municipal Development Project

MENA
Middle East and North Africa
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MIGA Multilateral Investment Guarantee Agency

MoF Ministry of Finance

MoLG Ministry of Local Governments

MOMA Ministry of Municipal Affairs

MOPIC Ministry of Planning and International Cooperation

NAT National Authority for Tunnels

NGO Non-governmental organization

ODCO Office de développement du Centre-Ouest

ODNO Office de développement du Nord-Ouest

ODS Office de développement du Sud

ONEE Office national de l’eau et de l’électricité

PA Palestinian Authority

PAIC/PAI Plan annuels d’investissements communaux

PDUGL Programme de développement urbain et de gouvernance locale

Pphpd Passengers per hour per direction

PRDP Palestinian Reform and Development Plan

PVSB Programme villes sans bidonvilles

PZD Première zone de développement

RAP Resettlement Action Plan

RLDP Regional and Local Development Project

SAZ Société d’aménagement de Zenata

SDATN Schéma directeur d’aménagement du territoire national

SDG Sustainable development goals

SECO Secrétariat d’Etat à l’économie

SNAT Schéma national d’aménagement du territoire

STRS Société du Tramway de Rabat Salé

UCLG-MEWA United Cities and Local Government—Middle East and West Asia Section

UN-Habitat ROAS United Nations Human Settlements Programme

UNDP United Nations Development Programme

UNESCO United Nations Educational, Scientific and Cultural Organization

UPFI Urban Project Finance Initiative

USUDS Urban Sustainable Development Strategies

VC Village Council
Introduction

This Compendium of Experiences on Urban and Territorial Development Projects in the Mediterranean Region was prepared by the Center for Mediterranean Integration (CMI) in cooperation with the Urban Hub members.

As part of the CMI Urban Hub activities, the preparation of this compendium benefited from prior analytical work and knowledge sharing activities:

- **A stocktaking paper**, “Fostering Territorial Cohesion in Development Policies in the Mediterranean”, completed in December 2016, takes stock of the main activities initiated by CMI Urban Hub members to reduce social and spatial disparities within territories in the MENA region and discusses key analytical issues.

- **The inaugural workshop**, “Addressing Territorial Cohesion Challenges and Promoting the Role of Cities in MENA” was held on May 4-5, 2017 in Marseille, France. This workshop was an opportunity for the CMI Urban Hub members and partners to (i) share knowledge on inspiring practices—policies, programs, and projects—implemented within and outside the region, (ii) draw lessons from the various experiences, and (iii) discuss their potential adaptation and scaling-up within different contexts.

The elaboration of this compendium is embedded into the fourth phase of the Center for Mediterranean Integration (CMI 4.0) strategy for 2018-2021, which is centered on knowledge creation, sharing, and capacity-building to support policy reforms and project implementation. This compendium represents a key business line for the CMI 4.0, which is to develop knowledge-sharing products that focus on “drawing lessons on what worked, why, and how.”
Purpose

This compendium is a first attempt to capture some of the territorial development experiences implemented in the Mediterranean region in order to inform the thinking and action of all concerned stakeholders, and initiate dialogue among them.

The objectives of this compendium are twofold:

1. Build on empirical experience to share lessons learned from projects regarding their design and implementation processes.

2. Discuss a set of case studies and assess two key aspects of development projects:

   • First, their “integrated nature”, i.e. whether they follow a spatially-based approach that does not look only at one specific urban service/infrastructure, but also consider other development aspects: provision of healthy water, sanitation, electricity, solid waste management, transport, housing, street lightning, retail, green spaces, road maintenance, etc.

   • Second, their contribution to make living standards more uniform by ensuring resource equalization in particular areas in comparison to more well-off ones. This approach has different policy implications whether it is implemented within city or metropolitan areas—where place-based policies that encourage economic production in a specific area are privileged—or in lagging regions, where spatially-blind policies such as provisions for education, health, clean water, and safety for crime are privileged.2

The target audience mainly includes Urban Hub members and partner countries in the Mediterranean, as well as any actors—including national, regional and local governments, NGOs, CBOs, consulting firms, urban development practitioners, citizens, etc.—who are interested in learning from these initiatives.

Methodology

The elaboration of this compendium involved the following steps:

1. Beginning with a comprehensive consultation process in September 2017, and followed by an Urban Hub meeting in December 2017, a concept note presenting its objectives and five criteria for selecting the experiences (see the following table), and a template to gather information on each identified case study were submitted and endorsed.

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Criteria for selecting the experiences

<table>
<thead>
<tr>
<th>Interest</th>
<th>Project that provides lessons regarding the need for and the means to implement projects that (i) follow an integrated/territorial approach and (ii) contribute to make living standards more uniform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical focus</td>
<td>Countries of the Southern Mediterranean Region, Turkey, and Cyprus.</td>
</tr>
<tr>
<td>Implementation period</td>
<td>Recent experiences (implemented during the years 2003-2018) were selected with an emphasis on innovative experiences. The logic being that the experiences featured should be representative of current approaches of government and donors in order to discuss their action.</td>
</tr>
<tr>
<td>Data availability</td>
<td>To allow for sufficient data availability and verification, all projects selected were supported by CMI Urban Hub members.</td>
</tr>
</tbody>
</table>

2. Meanwhile, a tentative list of experiences was produced by the CMI team on the basis of partners’ proposals and a desk review. This list was presented to Urban Hub partners in September 2017 and later refined based on feedback from partners and project promoters.

3. The case studies were produced based on: (i) first-hand data (interviews with promoters, implementers, funders involved in the implementation of the experiences as well as independent experts where possible), and (ii) a desk review of reports and studies (especially ex-post social impact evaluation studies and completion and results reports when available). All the experience sheets were then reviewed and validated by the interviewees and partners.

Actors from whom data was gathered

<table>
<thead>
<tr>
<th>Experience</th>
<th>Institution from which data was collected</th>
</tr>
</thead>
</table>
| Support for the elaboration of the 5-year regional development plans for 2016-2020 | - Donor and technical assistance to the project: GIZ, UNDP  
  - Project owner: MDICI |
| USUDS project | - Donor and technical assistance to the project: MedCities  
  - Project owner: Municipality of Saida |
| Madinatouna project | - Donor and technical assistance to the project: UNDP, Cities Alliance  
  - Consultant |
4. On this basis, a summary assessment of lessons learned was produced to inspire scaling up and adaptation of the experiences in different contexts.  
5. A partner peer-review session of the document completed the process, which involved leading specialists from respective involved organizations.

**Scope**

It should be emphasized that the compendium is not an exhaustive account of projects implemented in the region. Produced in close collaboration with the CMI Urban Hub, it mainly presents and analyzes experiences that were promoted by
several of its members: AFD, Codatu, Cities Alliance, EIB, GIZ, MedCities, UCLG-MEWA, and the World Bank. Each partner is briefly presented in the table below (partners which are involved in a higher number of projects are presented first):

<table>
<thead>
<tr>
<th>Urban Hub Member</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>The World Bank is an international financial institution that provides loans, knowledge and capacity building to member countries worldwide. It comprises the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Financial Company (IFC), the Multilateral International Guarantee Agency (MIGA), the International Centre for Settlement of Investment Disputes (ICSID).</td>
</tr>
<tr>
<td>AFD</td>
<td>The French Development Agency is a public and solidarity-based development bank and the central player in the French development policy. AFD is committed to projects that concretely improve the lives of people in developing countries, emerging countries and the overseas territories. Intervening in more than 100 countries and in a number of sectors (urban development, energy, health, biodiversity, water, digital, training), it accompanies the transition towards a safer, fairer, and more sustainable world.</td>
</tr>
<tr>
<td>EIB</td>
<td>The EIB is the European Union’s bank. It is the only bank owned by and representing the interests of the European Union Member States. It is also the world’s largest multilateral borrower and lender, providing finance and expertise for sustainable investment projects that contribute to EU policy objectives. While more than 90% of its activity is in Europe, it is also a big investor around the world, especially in the Mediterranean Region.</td>
</tr>
<tr>
<td>GIZ</td>
<td>The German Corporation for International Cooperation (GIZ) is a service provider in the field of international cooperation for sustainable development. GIZ has over 50 years of experience in a wide variety of areas. It works with businesses, civil society actors and research institutions, fostering successful interaction between development policy and other policy fields and areas of activity. Its main commissioning party is the German Federal Ministry for Economic Cooperation and Development (BMZ).</td>
</tr>
<tr>
<td>Urban Hub Member</td>
<td>Description</td>
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<tr>
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</tr>
<tr>
<td>MedCities</td>
<td>MedCities is a network of 27 Mediterranean coastal cities. The main aims and purposes of the network are: (i) to develop the awareness of interdependence and common responsibility as regard policies of sustainable development, environmental conservation and social cohesion of the Mediterranean basin; (ii) to reinforce the role, competences and resources (institutional, financial and technical) of local administrations; (iii) to develop citizens’ awareness and involvement in the sustainable development; (iv) to develop policies for direct cooperation and partnership between partners.</td>
</tr>
<tr>
<td>Cities Alliance</td>
<td>Cities Alliance is the global partnership for reducing poverty and promoting the role of cities in sustainable development. Cities Alliance brings together organizations with different perspectives and expertise on city issues around common goals: well-run, productive cities that provide opportunities for all residents. Members include multilateral organizations, national governments, local government associations, international NGOs, private sector, foundations and academia. The United Nations Office for Project Services (UNOPS) hosts the Cities Alliance Secretariat, which is based in Brussels.</td>
</tr>
<tr>
<td>Codatu</td>
<td>Cooperation for urban mobility in the developing world (Codatu) is an association whose objective is to promote sustainable mobility policies through training activities and scientific exchanges on urban and peri-urban mobility.</td>
</tr>
<tr>
<td>UCLG-MEWA</td>
<td>As one of the nine sections of UCLG World Organization, representing more than 100 years of experience in building cooperation among local governments and gathering the local governments of the world under one roof, United Cities and Local Governments Middle East and West Asia Section (UCLG-MEWA) is continuing its efforts to ensure the effective representation our local governments at international platforms, to establish strong governance structures and to follow-up the localization of international agendas in the MEWA region.</td>
</tr>
</tbody>
</table>
The policies, projects, and programs featured are clustered into four main categories, each of them referring to one particular approach. These categories are identified by the actors themselves:

- **Strategic territorial planning**, which help the targeted population to define a vision, strategic thrusts, and priority projects for their future development.

- **Decentralization and local governance**, which support the establishment of mechanisms to empower local government units (LGU) and/or reform institutional and financial schemes in order to improve their efficacy and efficiency in the delivery of basic services.

- **Urban development and upgrading**, which are two complementary approaches while dealing with urban issues. Upgrading focuses on the transformation and/or the improvement of already existing urban areas while urban development aims to development urban expansion areas, which can take the form of new districts or new cities.

- **Access to services and mobility**, which involves enhancing the provision of water and sanitation, as well as mobility in order to improve living conditions within a given territory.

## Experiences Featured

Fourteen experiences are featured in this study. Such experiences where implemented in nine countries of the Mediterranean region: Algeria, Cyprus, Egypt, Jordan, Lebanon, Morocco, Palestinian Territories, Tunisia and Turkey.
The experiences featured are implemented in both leading and lagging regions of their respective countries. They are briefly presented in the table below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Country</th>
<th>Territory considered</th>
<th>Period covered</th>
<th>Why was this project featured in the compendium?</th>
<th>Donors/Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Territorial Planning</td>
<td>Support to the elaboration of the 5-year regional development plans for 2016-2020</td>
<td>Tunisia</td>
<td>Leading and lagging regions</td>
<td>2015-2018</td>
<td>It is the first 5-year regional development plan in the country since the end of the Revolution and it is an interesting attempt to include governorates in investment planning. This project was presented during the Urban Hub Regional Workshop held in 2017.</td>
<td>GIZ, UNDP</td>
</tr>
<tr>
<td>Urban and Sustainable Development Strategy (USUDS) project</td>
<td>Tunisia, Lebanon, Cyprus</td>
<td>3 coastal cities (leading regions)</td>
<td>2011-2014</td>
<td>The CDSs of Saida, Lebanon, was presented during the Urban Hub Regional Workshop. Along with Sousse, Tunisia and Larnaca, Cyprus, it is an example of strategic plans targeting secondary cities in their respective countries, with practical implications for some of them. The Saida example was presented during the Urban Hub Regional Workshop held in 2017.</td>
<td>EU, MedCities, AECID, Barcelona Municipality, Barcelona Provincial Council, Hariri Foundation</td>
<td></td>
</tr>
<tr>
<td>Madinatouna project</td>
<td>Tunisia</td>
<td>9 cities, of which 7 are in lagging regions</td>
<td>2016-2018</td>
<td>This project builds on the lessons learned from the USUDS project and gives an account of ongoing strategic planning initiatives targeting mainly inland secondary cities of Tunisia.</td>
<td>Cities Alliance, GIZ, UNDP</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Name</td>
<td>Country</td>
<td>Territory considered</td>
<td>Period covered</td>
<td>Why was this project featured in the compendium?</td>
<td>Donors/Partners</td>
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</tr>
<tr>
<td>Decentralization and Local Governance</td>
<td>CoMun project</td>
<td>Morocco, Algeria, Tunisia</td>
<td>Municipalities of leading and lagging regions</td>
<td>2008-2018</td>
<td>This project is original in that it attempts to empower municipalities of the Maghreb countries (including those located in remote areas) through peer exchanges, learning networks and capacity building.</td>
<td>GIZ, German State of Bavaria, Robert Bosch Foundation</td>
</tr>
<tr>
<td>Regional and Local Development Project (RLDP)</td>
<td>Regional and Local Development Project (RLDP)</td>
<td>Jordan</td>
<td>Municipalities Amma excluded (lagging regions)</td>
<td>2006-2014</td>
<td>This project aims to strengthen municipalities and improve service delivery for Jordanian citizens, especially in poorer governorates (outside Amman) with a vision to promote regionally balanced local development.</td>
<td>World Bank, AFD</td>
</tr>
<tr>
<td>Municipal Development Project (MDP)</td>
<td>Municipal Development Project (MDP)</td>
<td>Palestinian Territories</td>
<td>All municipalities (leading regions)</td>
<td>2009-2018</td>
<td>This project, which is similar in this architecture to RLDP and PDUGL, is an attempt to improve service delivery and transparency in the very constrained environment that Palestinian municipalities are facing.</td>
<td>World Bank, Danida, Sida, GIZ, KFW, BTC, AFD, SDC, VNG International</td>
</tr>
<tr>
<td>Urban Development and Local Governance Program (PDUGL)</td>
<td>Urban Development and Local Governance Program (PDUGL)</td>
<td>Tunisia</td>
<td>Most municipalities (leading and lagging regions)</td>
<td>2014 to date</td>
<td>This project builds on the RLDP as well as other World Bank projects targeting municipalities’ performances and capacities in planning and delivering capital investments in an accountable and efficient manner. It is a flagship project addressing the development issues of “lagging areas” for Tunisia, as well as for the region. The size of the program makes it the most important one in Tunisia and the de facto leading project in terms of methodology.</td>
<td>World Bank</td>
</tr>
<tr>
<td>Category</td>
<td>Name</td>
<td>Country</td>
<td>Territory considered</td>
<td>Period covered</td>
<td>Why was this project featured in the compendium?</td>
<td>Donors/Partners</td>
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<tr>
<td>Urban Development and Upgrading</td>
<td>Cities Without Slums Program (PVSB)</td>
<td>Morocco</td>
<td>58 cities but most households in Casablanca (leading region)</td>
<td>2004 to date</td>
<td>This project was presented during the Urban Hub Regional Conference. This national program to fight against substandard housing represents an attempt from the Moroccan government to provide decent housing to Moroccanslum dwellers and raises a lot of questions with regards to territorial inclusion. It was presented during the Urban Hub Regional Workshop held in 2017.</td>
<td>AECID, AFD, Cities Alliance, EU, EIB, JICA, USAID, World Bank</td>
</tr>
<tr>
<td></td>
<td>Cultural Heritage and Urban Development Project (CHUD)</td>
<td>Lebanon</td>
<td>Baalbeck, Byblos, Saida, Tripoli, Tyr (mostly lagging regions)</td>
<td>2003 to date</td>
<td>This project presents an interesting integrated approach to urban development aiming to deliver results not only with regards to the improvement of the country’s cultural heritage but also by improving living conditions of inhabitants several historic centers of Lebanon’s secondary cities.</td>
<td>World Bank, AFD, AICS</td>
</tr>
<tr>
<td></td>
<td>Zenata Eco-City</td>
<td>Morocco</td>
<td>Casablanca (leading region)</td>
<td>2006 to date</td>
<td>This new city project is a key element of the territorial planning approach of the Greater Casablanca regional authority. It is a landmark project, advanced enough to yield experience but still under implementation.</td>
<td>EIB, AFD, EU</td>
</tr>
<tr>
<td>Category</td>
<td>Name</td>
<td>Country</td>
<td>Territory considered</td>
<td>Period covered</td>
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<tr>
<td>Access to Services and Mobility</td>
<td>Istanbolkart</td>
<td>Turkey</td>
<td>Istanbul (leading region)</td>
<td>2009 to date</td>
<td>Istanbul is one of the only cities in the Mediterranean region outside countries of the European Union that implemented integration principles in urban transportation networks to facilitate mobility within the Turkey’s capital metropolitan region.</td>
<td>No foreign donors</td>
</tr>
<tr>
<td></td>
<td>Tramway of Rabat-Salé</td>
<td>Morocco</td>
<td>Rabat-Salé (leading region)</td>
<td>2007 to date</td>
<td>This project analyzes impact in terms of inclusiveness (urban connectivity and territorial equity), as well as for studying constraints and limits of the project in terms of creating an integrated transport system for the Rabat-Salé agglomeration that is still in early development. It was presented during the Urban Hub Regional Workshop held in 2017.</td>
<td>AFD, EIB, EU</td>
</tr>
<tr>
<td></td>
<td>Cairo Metro Line 3</td>
<td>Egypt</td>
<td>Casablanca (leading region)</td>
<td>2006 to date</td>
<td>Currently under implementation, this is a very promising and challenging project for the future of Greater Cairo. This project highlights the integration of infrastructure projects within their urban context, especially within informal neighborhoods.</td>
<td>AFD, EIB, EU</td>
</tr>
<tr>
<td></td>
<td>Inmae project of the National Initiative for Human Development (INDH)</td>
<td>Morocco</td>
<td>Casablanca (leading region)</td>
<td>2005 to date</td>
<td>This project aims to improve the living conditions in informal settlements of Casablanca by extending the water and sanitation networks. It provides an innovative socio-institutional approach, consisting of interactions with both direct beneficiaries (households) and the institutions (including Lydec, the water and sanitation service provider for Casablanca).</td>
<td>World Bank, AIMF</td>
</tr>
</tbody>
</table>
CHAPTER 1
STRATEGIC TERRITORIAL PLANNING
Strategic territorial planning is an instrument that helps targeted communities to define a vision, strategic thrusts, and priority projects for their future development. By helping to identify priority investments strategic plans play a key role in contributing to an integrated territorial development approach.

The three case studies presented below are implemented at two territorial scales:

• At the national scale, the 5-year 2016-2020 regional development plan is an important initiative of the Tunisian government to guide the development of the country. In particular, the plan is used as a reference document for programming infrastructure projects.

• At the local scale, the City Development Strategies (CDSs) implemented as part of the USUDS and Madinatouna projects are tools to establish a vision and an action plan for the development of urban territories. Being expanded for secondary or intermediate cities, they are a means to assess the development options for territories that do not benefit from agglomeration effects like large cities do.

Overall, the projects and programs undertaken to promote strategic planning or leverage the strengths of regions lagging behind are based on the observation that community participation, broad-based consultation, and the implementation of bottom-up approaches are key elements of local and regional development. To be effective, policies and their implementation must be based on the enhancement of local and endogenous potential, mobilize all stakeholders and coordinate their efforts. The USUDS, Madinatouna or five-year plans projects in Tunisia clearly show the very promising nature of these approaches.
1. Basic Information and Technical Specificities

Presentation

Overcoming limitations in the design and constraints in the implementation of the five-year regional development plans by supporting a wider participation of local and regional actors.

Stakeholders

**Project owner:** Ministry of Development, Investment and International Cooperation (MDICI)

**Implementing partners:**
- The 24 Tunisian governorates
- Regional development agencies under the supervision of the MDICI (CGDR, ODS, ODCO, ODNO)
- Regional Development Directorates (DDR) in each governorate

Total Budget

About €1 million (USD 1.2 million)

Funding Source and Type

Financing provided by the Tunisian Government. Contributions from:
- The German Federal Ministry for Economic Cooperation and Development (BMZ) through its Technical Cooperation Agency (GIZ)
- The United Nations Development Program (UNDP) – Tunisia
**Target Area**

**TUNISIA**

- Tunisia
- Multi-Country

**Beneficiaries**

Tunisian population (11 million inhabitants in 2014)

**Duration**

2015-2018

**Contact**

Ali Abaab, GIZ, ali.abaab@giz.de
Leonor Lopez Vega, UNDP, leonor.lopez.vega@undp.org

**Useful Links**

2. Context and Initial Objective

2a. Context

Territorial development issue:
Tunisia is marked by significant imbalances in terms of regional development. Economic activities are mainly concentrated in the capital, Tunis, and the northern and northeastern coastal regions. The southern, central-western and northwestern regions are generally less developed than the coastal areas. In 2014, the unemployment rate was 23% on average in the interior regions, while it was 15% in Tunis and 10% in the coastal regions.

In this context, social unrest erupts at regular intervals in disadvantaged regions (culminating in the 2010-2011 revolution that resulted in the overthrow of President Zine El Abidine Ben Ali).

Policy responses:
Several planning documents have been produced in order to guide the territorial development of the country. Yet, they have not significantly changed its development patterns.

• The national master plans. While the National Land-Use Planning Scheme (SNAT) of 1985 recommended to rebalance the development of the country in inland lagging regions, the National Land-Use Planning Master Plan (SDATN) of 1997 recommended, to support metropolises on the coast, that are open to the world and able to boost the development of other regions.

• The five-year development plans are documents produced since the 1960s by the MDICI in order to identify the priority investments for the country. To do so, a principle of positive discrimination has been adopted; higher budget has been allocated to disadvantaged regions, according to a regional development indicator.

Main limitations of these responses:
• Weaknesses in strategic vision. Except for the 1997 SDATN, such approaches were trapped in the coastal/inland and advanced/disadvantaged regions dualism and does not necessarily ensure the revival of the regional development in so-called lagging regions.

• Institutional constraints. An excessive centralization of power is not conducive to the involvement of local institutions, thereby negatively impacting both the programming of these plans according to the actual needs of the regions and the implementation capacity of these institutions.

Opportunity:
In 2015, the design of the first 5-year development plans since the Revolution, represented an opportunity to develop a more strategic and participatory approach.
The objective of the action is to define the priorities and medium-term development orientations for each governorate, which should serve as a basis for the new five-year development plans for 2016-2020.

GIZ and UNDP, through their respective regional and local development support programs, are partnering with MDICI to provide technical and logistical support to develop these regional plans, in the decentralization framework set up by the new Constitution (2014).

Two dimensions of the action can be distinguished:

• The preparation of the regional plans as such, the framework of which is set by the Prime Minister’s Circular No. 19 of 25 July 2015. This is about establishing a new vision and a new development model for Tunisia, four years after the Revolution, following a participatory approach during all stages of elaboration and results-based planning. The elaboration of each plan mobilizes the corresponding governorate, with the support of the MDICI through the following four phases:
  1. Assessment of the period 2011-2015 (previous five-year plan) and diagnosis of the socio-economic and environmental situation;
  2. Definition of the vision and strategic directions for future development;
  3. Definition of an action plan with a portfolio of projects to achieve the vision and the strategic directions of the five-year plan;
  4. Arbitration (especially depending on financial capacities) and preparation of the document of each plan.

• Technical support provided by GIZ and UNDP consisted of:
  1. Support to MDICI for the development of a new planning approach with greater emphasis on local stakeholder participation and results-based planning;
  2. The mobilization of a team of two experts in each of the 24 governorates, with GIZ supporting the preparation of 18 plans and the UNDP supporting the other six. The support mainly focused on the methodology to design the plan, especially for the definition of objectives;
  3. The organization of consultation workshops throughout the regional planning process with regional development agencies.
3b. Challenges Faced

Institutional constraints:
- The regional planning process at the level of the 24 governorates was based on an orientation note with 5 strategic axes: (i) good governance and structural reforms, (ii) a low-cost economy transforming into an economic hub; (iii) human development and social inclusion; (iv) achievement of the ambitions of the regions; (v) green economy, a guarantee of sustainable development. The regions developed more specific axes. These strategic orientations have sometimes forced the regions to adapt their priorities in relation to this national framework.
- The pedagogical exercise to explain the national context, particularly with regard to budgetary constraints, resulted in:
  - The setting of oversized ambitions and objectives leading to requests for funding well beyond the budgetary means of the State and the absorptive capacity of regions. Thus, out of 63 billion Tunisian dinars of new proposed projects (including requests from governorates and sectoral ministries), only 45 billion were retained following arbitration.
  - Weak coordination with other levels of government: district level and national level.
- Lastly, the lack of consultation at the time of the project and program arbitration was detrimental to the regional planning process, which was intended to be participatory and transparent. The negotiation process was limited to a briefing organized by the MDICI for the benefit of some regional representatives.

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

The diagnosis made it possible to show that, on the one hand, all the regions of the country need to rehabilitate and upgrade their infrastructures and living environment and that, on the other hand, the coastline—along which most of the Tunisian population lives—constitutes an asset for the country in a globalized economy and therefore its development could have a greater impact on the development of the whole country.

Nevertheless, with regards to the choice of projects, the 2016-2020 plans still follow a positive discrimination approach whose effects on inland and disadvantaged regions have been limited.
The five-year plan 2016-2020, which includes regional plans, was adopted by the Assembly of the People’s Representatives (ARP) on April 12, 2017. The main outputs of the process were:

- Providing ministerial departments and decentralized administrations with a programmatic framework for their interventions.
- Allowing the emergence of a more participatory planning process of democratic Tunisia, giving rise to a significant appropriation by local actors of development issues and challenges, despite its limitations.

Unfortunately, there has been a delay by both the MDICI to inform on the content of regional plans, and by the Assembly of People’s Representatives (ARP) for the adoption of the five-year plan.

**FIGURE:** Infrastructure projects of the 2016-2020 five-year plan are for a large part located in inland/lagging regions

<table>
<thead>
<tr>
<th>NB</th>
<th>Location</th>
<th>Cost (MD)</th>
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<tbody>
<tr>
<td>1</td>
<td>Enfidha (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Sidi Bouzid, Kasserine to Gafsa (Inland region)</td>
<td></td>
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<tr>
<td>3</td>
<td>Tunis, Kairouan, Sidi Bouzid, (Costal &amp; Inland region)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Le Kef (Inland region)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Sfax (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bizerte (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Sousse, Kasserine (Inland region)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Rades (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Zarzis (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Zaghhouan (Inland region)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Matuer, Taberka (Inland region)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Kasserine, Tunis (Inland region)</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Boussalem, Jendouba (Inland region)</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Rades (Coastal region)</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Gabes, Medenin (Inland region)</td>
<td></td>
</tr>
</tbody>
</table>
5. Lessons Learned and Follow-up

5a. Success Conditions

- The post-revolutionary context and the possibility given to local actors (governorates) to report their needs, even if in a limited way.
- The framing of the process with the purpose of collective learning in territorial analysis and strategic planning.
- Wider participation of stakeholders from each region to express their expectations.
- The use of external expertise (GIZ and UNDP) enabling support of the structures in charge of regional planning, particularly in terms of analyzes and definition of strategic orientations for the development of the regions.

5b. Innovative Aspects

The methodological approach, through the organization of numerous consultation and validation workshops at each stage of the plan development process, was relatively new for Tunisia, as was the adoption of the principle of strategic planning based on results at regional and sectoral level.

The region of Medenine, with the support of UNDP, has deepened the regional five-year planning exercise to bring it into line with the Sustainable Development Goals (SDGs), thus contributing to their “localization” (i.e. providing practical direction for monitoring the attainment of the SDGs).

5c. Recommendations and Scaling-Up

In the future, a stronger emphasis should be placed on strengthening the governorates’ powers to plan and manage regional development as stipulated by the Local Government Code which has been adopted by the ARP in April 2018. This will make it possible to truly move past an approach that is still relatively top-down and highly programmatic. In addition, successful implementation of the plan will require:

- Finalizing the establishment of constitutional institutions, particularly at the local level.
- Promptly undertaking project studies.
- Having a clear implementation schedule and ensuring effective monitoring and rigorous evaluation of achievements.
6. Quotes

“The regional development plan uses the regional development indicator for the distribution of credits in order to be able to develop disadvantaged regions and create a climate which would thus allow developing private investments in addition to already existing incentives.” (Samir Lazaar, Director General, MDICI)

“Like other countries, Tunisia did not really change its approach on how to address regional disparities, which remains very programmatic.” (Hedi Larbi, Associate, Harvard Kennedy School)

“The 2016-2020 Regional Five-Year Plan was an opportunity for us to draw up the region’s guidelines for locating the SDGs in accordance with the 2030 Agenda. This first initiative in Tunisia to localize the SDGs resulted in the identification of 14 priority SDGs as well as their evaluation targets and indicators.” (Abdennacer Ghourabi, Regional Development Director at Medenine)
MULTI-COUNTRY - USUDS
(URBAN SUSTAINABLE DEVELOPMENT STRATEGIES)

1. Basic Information and Technical Specificities

Presentation
Addressing the challenge of balanced development in secondary cities through city development strategies.

USUDS
USUDS, 2014

Stakeholders

<table>
<thead>
<tr>
<th>Project owners:</th>
<th>Total Budget</th>
</tr>
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<tbody>
<tr>
<td>• Municipalities of Larnaca, Saida and Sousse for the City Development Strategies (CDSs)</td>
<td>€ 2,860,000 (approximately USD 3,600,000)</td>
</tr>
<tr>
<td>• Municipality of Sfax, Urban Community of Al Fayhaa and CIEDES Foundation for the Knowledge Transfer Centers (KTCs).</td>
<td></td>
</tr>
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</table>

Technical assistance: Metropolitan Area of Barcelona, acting as General Secretariat of MedCities.

Funding Source and Type

<table>
<thead>
<tr>
<th>Funding (Grant)</th>
<th>Amount (USD million)</th>
<th>%</th>
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<tbody>
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<td>European Union</td>
<td>1.78</td>
<td>62</td>
</tr>
<tr>
<td>MedCities (Metropolitan Area of Barcelona)</td>
<td>0.62</td>
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<td>Spanish Agency for International Development Cooperation (AECID)</td>
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<td>Barcelona Municipality</td>
<td>0.10</td>
<td>3.5</td>
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<tr>
<td>Barcelona Provincial Council</td>
<td>0.03</td>
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</tr>
<tr>
<td>Hariri Foundation for Sustainable Human Development</td>
<td>0.03</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2.85</td>
<td>100</td>
</tr>
</tbody>
</table>
Specifically, the cities of Saida (Lebanon), Sousse (Tunisia) and Larnaca (Cyprus). Additional Mediterranean cities to be targeted through the exchange network.

The residents of the three target cities (Larnaca, Saida and Sousse) representing about 420,000 inhabitants (900,000 inhabitants considering the cities’ urban agglomerations).

2011-2014

Konstantia Nikopoulou, MedCities, knikopoulou@amb.cat

http://www.medcities.org/web/sousse/-/events-cooperationsuisse
http://cmimarseille.org/programs/cities-new-generation
2. Context and Initial Objective

2a. Context

Territorial development issue:
In the Mediterranean region, fast growth in cities has led to significant imbalances and dysfunction.

Policy responses:
City development strategies (CDSs) have gradually gained momentum as a powerful tool to promote growth, stability and development by establishing a vision for the medium and longer-term development; and consolidate democratic transition processes by empowering local governments and fostering citizen participation. Several local strategic plans have been enhanced, especially in secondary cities of the Mediterranean region which often did not previously advance a vision for their development: Tunisia (Sfax), Morocco (Tetouan), Egypt (Alexandria) and Lebanon (Jezzine, Jbeil, Al Fayhaa, Tyre).

Opportunity:
In Tunisia, a democratic process that has permitted the approval in 2014 of a new Constitution recognizing the principle of decentralization. As such, the CDS represent an opportunity to consolidate this decentralization process.

In addition, MedCities organized a conference on Urban Development Strategies in the Mediterranean in March 2011, gathering numerous cooperation agencies and local and national governments with the objective of generating positive synergies with other stakeholders working in the region. Building on this conference, the USUDS project was initiated.

2b. Main Objectives

The project’s overall objective is to promote sustainable development and social cohesion in Mediterranean Cities through the advancement of three new CDSs and the creation of a network of cities interested in building and implementing sustainable urban development strategies.

In accordance with the objective of the European Union Program which finances the action, the project aims at “strengthening the national strategies of territorial planning by integrating the different levels, and promoting a balanced and sustainable socio-economic development.”
3. Actions and Challenges Faced

The project is structured into two components:

- **Component 1:** Advancement of three city development strategies (CDSs) in Larnaca, Saida, and Sousse
  - Organization and start-up to identify the municipal service that will oversee the design of the strategy and define the scope given to citizen participation. A steering committee is established, which includes the concerned ministries, public bodies, universities, and civil society representatives.
  - Phase 1 — A pre-diagnosis is carried out using various methods, including the “Facts, Challenges and Projects” method. A “Descriptive Memory” report offers a vision of the different variables that make up the urban reality including (i) urban infrastructure; (ii) green / open space networks; (iii) cultural and natural heritage; (iv) employment in traditional industries and trades; (v) institutional and legal frameworks; (iv) and local economic development.
  - Phase 2 — A strategic diagnosis specifies how to deal with the challenges. A document (Strategic Diagnosis Report) defines the key issues and trends and their territorialized impacts.
  - Phase 3 — A strategic framework summarizes the general objective (“city vision”) and the strategic lines (“city mission”) for the city.
  - Phase 4 — An action plan is formulated. It includes a wide range of projects that aim to achieve the objectives set in the Strategic framework.
  - Phase 5 — A monitoring and evaluation mechanism is set up to move forward from a planning document to a living dynamic process of transformation of the city through the creation of a Local Development Office which will be leading the implementation and monitoring of the strategy.

- **Component 2:** Creation of a network of cities interested in developing and implementing city development strategies in the Mediterranean. The network is based on (i) three Knowledge Transfer Centers (KTCs) of local governments having already an experience in elaborating a city development strategy (Malaga, Al Fayhaa, and Sfax) and (ii) the creation of the USUDS website (www.ususds.org) and its database. As part of the KTCs, 5 dissemination and methodological seminars were conducted during the development of the project in order to spread the concept of strategic planning and advance the identification of the methodological challenges when designing sustainable urban strategies in the Mediterranean.
The challenges in developing the three CDSs were various:

3b. Challenges Faced

Institutional constraints:

- The very unstable socio-economic and political context in the Mediterranean and at the local level:
  - In Sousse, the continuous changes of municipal representatives (three mayors appointed in total from the kick-off to the closure of the project and some key local civil servants changed) required the team to explain to each new member the project in order to get their support,
  - In Saida, the general political instability in Lebanon and the political and security situation that escalated after the armed conflicts that erupted in the city affected the Strategic Framework phase and hindered the experts’ work and the community participation activities, having to find alternatives - in order to guarantee participation,
  - In Larnaca the economic crisis in 2013 was very critical, and modified many of the characteristics described in the diagnosis phase.

- The initial lack of support for the project by some actors:
  - In Sousse, some actors initially showed reluctance to the municipality’s intervention issues which are not currently under its jurisdiction. Such reluctance was overcome through communication, sensitization and the inclusion of all relevant stakeholders in this process, which was finally understood as a project of the city as a whole (including all municipalities composing it).
  - In Saida, the absence of key national authorities – in particular the Council for Development and Reconstruction (CDR) – on the steering committee. The technical team had to deploy a lot of diplomacy and communication to convince national actors to participate in the committee.

- Delays in the flow of funds for project implementation due to internal administrative procedures, particularly in Lebanon for obtaining credit authorization, and in Tunisia for approving expenditure, but also due to the demanding procedures of the European Union Program.

- Inadequate human resources and capacities, particularly in the Saida Municipality. These challenges have been overcome through various means, such as capacity building programs for staff, the establishment of the development unit, and technical support to the community.

Technical constraints:

- The absence of local data for various sectors:
  - In Sousse, the collection and the publication of development figures have always been carried out at a national or at least at regional level, but these figures are not applicable at a local level, given the disparities within the city. Therefore, it was necessary to undertake data generation and matching work, as well as create a qualitative diagnosis of the city’s situation.
  - In Larnaca, the eruption of the economic crisis made existing data obsolete, making the analysis done in the diagnosis especially helpful.
4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

The three cities chosen as part of this USUDS are all coastal cities and ranked third in terms of population of their respective country. Identifying structural projects for the development of such cities appears therefore as a relevant approach, in order for them to face the challenges of urbanization and improve their attractiveness.

In addition, at city scale, each strategic plan focuses on ensuring a balanced development:

- In the case of Sousse, by taking into consideration spatial inequalities in the city, between the northern and the southern part.
- In the case of Saida, by focusing on improving socio-economic conditions and security and stability, placing vulnerable social groups at the core of strategic projects.
- In the case of Larnaca, by promoting an equal opportunities principle as a strategic objective for the city center.

4b. Outputs and Outcomes

Regarding the project preparation:

- A thorough cross-cutting analysis of the situation of the cities. The diagnostic reports in particular provided a very holistic understanding and addressed a wide range of topics, with very valuable content.
- The identification of a list of strategic projects (including infrastructure projects) with a level of maturity and for which there is a consensus among the stakeholders of the city.

Regarding the project implementation:

- Significant changes in the approach to the management of local affairs, especially through the mediation work of the experts, revitalized “shared spaces” for exchanges and open discussions.
5. Lessons Learned and Follow-up

5a. Success Conditions

- Clear municipal leadership and an understanding of the importance of genuine consultation and participation in order to create a shared vision of the city.
- An active involvement of the existing municipal technical structure combined with a large-scale dialogue between the central government and the local authorities to create a common ownership of the strategic plans.
- Active involvement of relevant local stakeholders in all phases of elaboration of the strategic plan in order to ensure ownership of the result and consensus over the future projects.
- Significant funding, not only from the European Union but also from local partners (Hariri Foundation) which demonstrates the interest of local actors in the project.

5b. Innovative Aspects

The “facts, challenges, and projects” (FCP) method, which was initially used successfully in several strategic plans of Spanish cities. FCP is presented as a clear method, easy-to-understand, highly operational approach that allows for working with key projects from the inception of the project, reducing the time required to prepare the strategic plan.

5c. Recommendations and Scaling-Up

Building on the USUDS project experience, the following aspects should be considered for future CDSs:

- A correct time balance between the different phases of the process. The emphasis and the resources should be divided equally between the diagnosis (which tends to be excessively protracted over time) and the strategic action plan, in particular by creating structures and tools that will ensure the implementation and monitoring of the strategy, such as inter-municipal urban observatories.
- Partnerships with key national stakeholders and international donors are key to maximize benefits and ensure effective implementation of the CDS. Because there exists a list of projects identified, the city of Sousse was granted € 2.3 million in 2017 from Swiss Cooperation (SECO) for the revision of the Urban Planning and Development Plan (PAU) and the Urban Transport Plan (PDU), and for the promotion of eco-construction.
- Project boundaries should not be limited to those of the municipality but should relate to the metropolitan area. In the case of Saida, it would have made more sense if the Union of Municipalities of Saida-Al Zahrani (and not the municipality) was the direct beneficiary of the project (even though the CDS experts actually expanded their work and studied all the surrounding areas).
6. Quotes

“We are proud to have completed the project despite a context of political turmoil, economic instability and security concerns, demonstrating that cooperation at the local level is often the best way to advance the development of the region.” (Joan Parpal, Former Secretary General of MedCities)
1. Basic Information and Technical Specificities

Presentation

Addressing the challenge of balanced development in secondary cities through the elaboration of city development strategies in Tunisia’s lagging regions.

Stakeholders

Project owner: The cities of Béja, Gabès, Jendouba, Kairouan, Médénine, M’saken, Sidi Bouzid, La Soukra and Tataouine; the National Federation of Tunisian Cities (FNVT).

Other partners: The Decentralization Support and Training Center (CFAD), the Ministry of Local Affairs and Environment and the Ministry of Development, Investment, and International Cooperation (MDICI)

Technical assistance: The United Nations Development Programme (UNDP) in partnership with GIZ (German Technical Cooperation), the International Development Center for Innovative Local Governance (CILG-VNGi), and MedCities (Network of Mediterranean Cities)

Technical assistance: Metropolitan Area of Barcelona, acting as General Secretariat of MedCities

Total Budget

USD 1,345,000
Urban and Territorial Development Projects in the Mediterranean
A Compendium of Experiences of the CMI Urban Hub

Funding Source and Type

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</table>

Target Area

9 municipalities of Tunisia

Beneficiaries

The inhabitants of the targeted municipalities, totalizing around 1.1 million inhabitants (2014 National Census)

Duration

2016–2018

Contact

Leonor Lopez Vega, UNDP, leonor.lopez.vega@undp.org
Fethi Mansouri, UNDP, fethi.mansouri@undp.org

Useful Links

http://www.citiesalliance.org/Tunisia-CP-page
2. Context and Initial Objective

2a. Context

Territorial development issue:
As previously mentioned (see case study 1), Tunisia is marked by significant imbalances in terms of regional development: economic activities are mainly concentrated in Tunis, the capital, and the northern and northeastern coastal regions.

Policy responses:
Since the 2000s, a few interventions have resulted in the development of City Development Strategies to support secondary cities to develop an integrated vision of long-term urban development and the production of short-term action plans. This was the case for the cities of Sousse and Sfax.

Main limitations of these responses:
Previously, most CDSs had focused on coastal cities. Inland intermediate cities and small towns were not considered. In addition, the high centralization of the country and the fact that Tunisian municipalities remain characterized by a low level of managerial staff compared to the scale of the tasks and responsibilities incumbent on them was impeding the effects of such strategies.

Opportunity:
Recently, the Tunisian government has set up a national program to operationalize decentralization, and designated the Ministry of Local Affairs and Environment to steer the process in conjunction with the other concerned ministries. Within this context, a local government code (Code des Collectivités Locales) has been drafted and approved by the Council of Ministers and is pending adoption by the Parliament. This law proposes in article 101 that “local development plans” will be designed according to a participatory method and with the support of the State’s departments, and that they represent the reference framework for local authorities’ interventions. This global approach to planning is a significant move away from the PAIC (Plan annuels d’investissements communaux – municipal annual investment plans) which still exist to this day.

Supporting Tunisian municipalities in this decentralization process is at the core of the Madinatouna project.

2b. Main Objectives

The overall objective of the project is to support a balanced development of Tunisia by supporting inland cities which are considered as being left behind, with unemployment rates far higher than those of coastal cities and large regional disparities in infrastructure, access to services, investment and job opportunities.

The means to do so is to lead a strategic planning process in line with the provisions laid down by the national institutions and specifically the Ministry of Local Affairs and Environment.
3. Actions and Challenges Faced

The project is structured into 3 main components:

- **Component 1 – Strategic Urban Planning** aims to support local authorities of nine Tunisian cities in designing City Development Strategies in a participatory and inclusive manner and contributing to localize the Sustainable Development Goals. Pilot Cities were chosen by taking into account: (i) Cities Alliance’s preference to prioritize inland cities, (ii) poverty indexes at city and urban agglomeration scales, (iii) existing collaborations between some of these cities and the project partners, (iv) the interest of these cities to participate in the project.

- **Component 2 – Training and Networking** is aimed at strengthening urban planning capacities and fostering a dynamic of shared learning through the exchange of experiences between cities.
  - **Trainings** consists in strengthening a group of about 15 Tunisian experts able to support cities in the elaboration of their development strategies, of which four were selected to train the project leaders in the nine municipalities in designing the CDSs at each stage of the methodological approach.
  - **Experience Exchange and Networking** consists of inter-city exchange meetings as well as, at a broader scale, an exchange event for Tunisian cities and other cities in the Maghreb and Mediterranean, and a final closing workshop.

- **Component 3 – Learning, Dissemination, and Scaling Up** aims to support national and regional authorities in their thinking on strategic planning and support them in preparing the Local Development Plans to be created by the future Local Government Code.
  - **Learning** consists in coaching partner cities on how to analyze and systematize results and lessons as well as helping disseminate the knowledge products produced.
  - **Dissemination of approaches through multilevel governance mechanisms** aims to raise the awareness of regional and national authorities by promoting their participation in city-level workshop and vice-versa the participation of city representatives in regional meetings where the CDSs are discussed.
  - **Scaling up** aims to discuss how the strategic urban planning approach could be reproduced in other cities, through FNVT and relevant national bodies.
Institutional constraints:
• The high number of partners involved (UNDP, GIZ, MedCities and CILG-VNGi) is a challenge for the project coordination. It was overcome, thanks to clear assignments of responsibilities among partners, as well as regular coordination meetings.
• The low level of political ownership in some contexts, for instance in Monastir which was initially one of the identified cities for conducting a CDS. The city was replaced by M’saken, with no major impact on the project implementation schedule, since a city diagnostic was previously undertaken by civil society organisations.

Socio-political and socio-spatial constraints:
• The unstable Tunisian political context, both at the municipal and national levels. Municipal elections have been postponed several times and there are currently no mayors in place. This calls for working mainly with technical administration rather than with political bodies.
• The lack of expertise at the local level and the need to mobilize experienced professionals. Despite having reinforced the local teams with young professionals, enhancing the capacities of municipal staff continue to be a challenge.

Financial constraints:
• Limited resources for municipalities to implement the CDS action plan. Hence, the team aims to identify projects that can be realistically implemented by the pilot cities while attempting to find additional funding resources.

Time constraints:
• The limited time allocated for leading the CDS process (12 months in total and 1 to 3 months for each stage) in comparison with similar projects implemented in the past. This challenge was to some extent overcome by relying on the methodological approach developed by MedCities which aims to quickly assess strategic objectives on the basis of the diagnosis.

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

As the project is still ongoing and the action plans of each city have not yet been released, it is still too early to draw lessons from this project in terms of territorial development approach.
Agreements with the pilot cities were signed during a kick-off meeting of the project held on June 29, 2017. Six months later, all cities had completed the diagnosis stage and vision and they are preparing the strategic framework. Upcoming phases include (i) the definition of the action plan and (ii) the setting up of the monitoring and implementation mechanisms.

After one year of project implementation, the following results can be highlighted:

• The project created momentum and convergence with the national program for sustainable cities (Ministry of Local Affairs and Environment) was formalized by the signature of an agreement.

• The project allowed for greater collaboration between external donors, both in terms of strategic dialogue and in the context of concrete projects.

• Significant funds to support capital investment projects that would emerge from the planning process have been recently earmarked by the Ministry of Local Affairs and Environment.

5. Lessons Learned and Follow-up

5a. Success Conditions

• Local and national political buy-in is key. This commitment, however, must be nurtured and sustained throughout the development of the project through regular trainings, workshops, and consultation meetings.

• The project partners’ experience and expertise in Tunisia. FNVT, as an institution representing Tunisian cities, has a crucial role in promoting and building partnerships between the central government, municipalities and donors and ensure effective ownership of the approach. Drawing on their strong presence and several years of experience supporting participatory development in Tunisia, UNDP, GIZ, MedCities, and CILG-VNG also play an instrumental role in providing meaningful technical assistance to local and national partners.

• The ability to work in an uncertain environment and be able to adapt the action flexibly to changing circumstances, for example by rapidly replacing the city of Monastir with the city of M’saken or by continuing to act and produce results despite the continuous postponement of municipal elections.

5b. Innovative Aspects

One major technical innovation has been linking the strategies to attaining the SDGs so that the cities can contribute to localizing the 2030 agenda.
**5c. Recommendations and Scaling-Up**

- **Secure funding for the implementation of identified projects** from the inception of the City Development Strategy process. As of now, promising contacts with regional (decentralized) Italian and Spanish cooperation that could support the cities involved in financing priority projects have been conducted, in addition to the budget earmarked by the Ministry of Local Affairs.

- **Streamline and gradually develop the CDS approach in other Tunisian cities**. Closely associated with the start of the project, convinced of its relevance and satisfied with its methodology, the Ministry of Local Affairs and Environment has already decided to mobilize specific resources to help two additional cities participate, through the Tunisian National Sustainable Cities Program.

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### 6. Quotes

“The strengths of the project are the multidisciplinary background of the members of the different city teams, and the presence in the Municipality of a very active group of experts.” (Ksiki Zine El Abidine, President of PEDDZA – Plateforme de l’Environnement et du Développement Durable des Zones Arides, Médenine).

“Since the beginning of the project, youth has been fully integrated into the process and young people are considered key actors of the project.” (Mohammed Salah Bedda, Local coordinator of the team in place in Béja for the Madinatouna project).

“The Madinatouna project represents a unique opportunity for our city to have local planning adapted to the reality of the community and the aspirations of its citizens.” (Monia Twihri El Balti, Chairman of the provincial authority in Béja).
CHAPTER 2
DECENTRALIZATION AND LOCAL GOVERNANCE
CHAPTER 2
Decentralization and Local Governance

Decentralization and local governance tools can support the establishment of mechanisms to empower local government units (LGU) and/or reform institutional and financial schemes in order to improve their efficacy and efficiency. They are key instruments to achieve regionally balanced growth and development through their capacity to improve the delivery of basic services and infrastructure. The four case studies presented below illustrate two distinct approaches:

- An approach implemented in the Maghreb countries (Morocco, Algeria, Tunisia) which uses networking and capacity building as a way to facilitate the co-learning of municipalities on selected technical topics in order to improve their management.
- Another approach implemented in Jordan, the Palestinian Territories and Tunisia, which uses a performance-based grant system to finance locally identified and prioritized investments in municipal infrastructure and service provision.

Overall, these programs were undertaken at the initiative of the World Bank and AFD (MDP Palestine, UDLGP Tunisia, RLDP Jordan) and GIZ (CoMun) to support the development of an enabling institutional environment for improved local service delivery. This undertaking constitutes systemic reforms whose effects (except in the case of the RLDP) might only be assessed in the medium-term to long-term. Nevertheless, it is important to note very encouraging initial results in terms of strengthening the transparency and accountability of municipal management, or increasing the technical and financial capacity of municipalities— which are the front-line agencies in providing local services, especially in more neglected territories—and the gradual reconstruction of the social contract and trust between municipalities and citizens.
MULTI-COUNTRY
MUNICIPAL COOPERATION, LOCAL AND PARTICIPATIVE GOVERNANCE IN THE MAGHREB (COMUN)

1. Basic Information and Technical Specificities

Presentation

Strengthening municipal management and participatory governance in the Maghreb countries through peer exchanges and learning networks among institutional, municipal and civil society actors.

Stakeholders

Project owners:
• Morocco: Ministry of Interior
• Tunisia: Ministry of Local Affairs and Environment
• Algeria: National urban planning agency on behalf of the Ministry of Housing and Urban Planning.

Implementing partners:
• Morocco: 27 municipalities
• Tunisia: 54 municipalities, Fédération Nationale des Villes Tunisiennes (FNVT), Centre de Formation et d’Appui à la Décentralisation (CFAD)
• Algeria: 5 municipalities

Technical assistance: German Technical Cooperation (GIZ)

Total Budget

€16,5 million (USD 45 million)
Phase 1: € 2 million
Phase 2: € 4 million
Phase 3: € 10,5 million
Funding Source and Type

The project is almost entirely funded through grants from the German Federal Ministry for Economic Cooperation and Development (BMZ).

Additional grants include:
- The German State of Bavaria: Approx. €100,000

Target Area

86 municipalities, members of the exchange networks

Beneficiaries

Populations of the targeted cities

Duration

2008-2018

Contact

Meinolf Spiekermann, GIZ, meinolf.spiekermann@giz.de

Useful Links

http://www.co-mun.net/
https://www.youtube.com/watch?v=uxtNHr6_LvU&feature=youtube
2. Context and Initial Objective

2a. Context

Territorial development issue:
Municipalities in the Maghreb region face similar and significant challenges: demographic pressure (nearly 3% per year), housing shortage, informal housing, ecological risks and social issues.

Policy responses:
Within this context, the Central Maghreb countries (Morocco, Algeria and Tunisia) have been involved in decentralization/consolidation processes in recent years.

Main limitations of these responses:
Municipalities lack technical and financial resources and fail to meet the growing expectations of citizens regarding not only the quality of public service provision, but also the transparency and the accountability of the overall municipal administration. These defaults inhibit municipalities to exercise their role as actors of sustainable local development.

Opportunity:
Recent reforms created the conditions for a technical support of local governments in the Maghreb:

- **In Morocco**, a reform of the communal charter was initiated in 2009, along with a redrafting of the law on how local finances are organized. Then, in 2011 the promulgation of a new constitution affirmed the objective of strengthening local authorities via advanced regionalization, and it was formalized by the 2015 reform.

- **In Tunisia**, decentralization was put on the agenda by the 2010-2011 Revolution and then the adoption of a new constitution in 2014, in particular Chapter VII devoted to local power. In addition, a new Local Government Code is being adopted by the Constituent Assembly and free municipal elections are being held.

- **In Algeria**, although territorial public action remains characterized by strong State interventionism (which preserves the prerogative of taxation), various reforms were undertaken, especially the enactment of a new communal code in 2011 including local authorities in the decision-making process.

2b. Main Objectives

The project aims to support the capacity building of municipalities in urban management and governance through the creation of networks and the promotion of experience exchange and knowledge transfer between cities, both within each of the three countries and beyond borders with municipalities of other Maghreb countries and German municipalities.
3. Actions and Challenges Faced

The project changed its structure over the years. Three main components can be identified:

- **Component 1: Networking promotion, technical support and training.** This is the main component of the CoMun project. By building on the expectations expressed by local institutions, the aim is to enable the municipalities involved to access models, strategies, methods, and tools of local and urban development that have proved their worth.

  - **In Morocco,** the project facilitated the organization of **5 networks** providing technical support on sectoral themes (waste management, renovation/rehabilitation of the historic city centers, public transportation, energy management, and participatory governance). The number of partner cities has increased from 7 in 2010 to 27 in 2017.

  - **In Tunisia,** the project has been facilitating the organization of **7 networks** related to waste projects (WAMA-Net), urban heritage, strategic planning, participatory budgeting, participation of women and youth and creation of “Espace Citoyens” (one-stop shops). It involves 54 municipalities in total.

  - **In Algeria,** 5 municipalities have been members of a network that involves German cities to exchange on targeted themes (waste management, urban heritage, etc.)

  - Two types of action are implemented **transversally**: (i) study trips to Germany and the Maghreb, regional exchange meetings between the networks, and ii) two training courses for Maghreb municipal executives: “Baladiya”, organized with the support of the Robert Bosch Foundation since 2013, and “Metropolitan Transitions,” organized in partnership with AViTeM and AFD since 2017.

- **Component 2: Support for the implementation of pilot projects.** These projects may result from innovative measures identified through the thematic networks, or be initiated by these networks. The actions are implemented either directly by CoMun or in decentralized cooperation with German cities:

  - **In Morocco,** 16 municipalities were supported following a call for projects launched in 2015 for the 27 partner municipalities. The financial amount for projects implemented is between € 25,000 and € 35,000. In addition, the cities of Bamberg and Trier are supporting projects on waste sorting and the use of LED luminaires in 6 municipalities.

  - **In Tunisia,** local structures aiming at improving the provision of administrative services by municipalities, called “Espace Citoyens”, have been installed in 9 municipalities since 2013. More than 15
projects have been supported since 2016 on the issues of waste, mobility, and participatory administrative management. Youth centers have also been rehabilitated.

- **Component 3: Support to city associations.** This concerns the AMPCC (Moroccan Association of Presidents of Municipal Councils) in Morocco and the FNVT in Tunisia, regarding the institutionalization of thematic city networks.

**Institutional constraints:**

- **Time-consuming negotiations prior to its implementation.** A 2-year delay was recorded between the first negotiations about the concept and the formal launch of the project. This delay led to refocusing objectives on intra-country exchanges, whereas at the beginning, the point was to promote exchanges among Maghreb countries.

- **Weak involvement of Algerian authorities during the first two phases of the project (2008-2014)** leading to working mainly with Morocco and Tunisia. The Algerian position has, however, evolved since 2015.

- **A difficult institutional context.** Decentralization advances slowly in the Maghreb countries despite the governments’ efforts. The gap between expected and real management capacities of municipalities remains significant.

**4. Outcomes and Results**

**4a. Results in Terms of Territorial Development Approach**

The CoMun project aims to improve service delivery, and thereby contribute to a convergence in living standards between lagging and leading areas.

**4b. Outputs and Outcomes**

The impact of the capacity building activities undertaken by the CoMun project on the improvement of services offered can only be evaluated over time. Nevertheless, what can already be said is that:

- **The networking actions** resulted in the mobilization of nearly 1,000 territorial stakeholders through the 10 thematic networks created and the professionalization of about 3,600 of them via CFAD in Tunisia, and the training of municipal experts in Morocco. The project has thus contributed to (i) the professionalization of municipal governments, (ii) the emancipation of cities from central authorities and (iii) the establishment...
of administrative structures to better meet the aspirations of the population.

- **Among the pilot projects carried out**, some of the most significant actions dealt with local governance. The creation of the “Espace Citoyens” has fostered the establishment of a better climate of trust between citizens and the administration in the provision of services. Citizen participation has also been strengthened through the establishment of youth councils and communication units with civil society. Lastly, waste management has been significantly improved in many cities through trainings and the implementation of concrete projects (such as, composting stations and sorting projects).

- Regarding **support to municipality associations**, results were the most convincing with FNVT. After project completion, this organization for the defense of municipal interests is expected to be taking the lead in managing the thematic networks and continuing technical support to municipalities through a pool of trainers.

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### 5. Lessons Learned and Follow-up

#### 5a. Success Conditions

- The **flexibility of the program**. The regional dimension of the program has made it possible to adapt its implementation according to the contexts and needs emerging in each country. For example, the issue of local governance was discussed and developed after the Tunisian revolution.

- The **support and interest** of the municipalities.

#### 5b. Innovative Aspects

The approach of putting cities in a network enhances the collective intelligence of municipal stakeholders and the momentum they build together. By drawing on the know-how available locally and nationally, the approach enables cities to find the most appropriate solutions to their practical challenges.

The financial costs of such an approach are small in light of its potential impact, especially when considering:

- The number of institutions and actors it manages to reach and cooperate with;

- Its potential for finding practical solutions to the priority challenges of cities, and the quality standards and benchmarks that it offers in terms of municipal management; and

- The extent to which it builds on local expertise, rendering it not only more economical but also independent from the project duration.
5c. Recommendations and Scaling-Up

Different areas for improvement are identified:

• **Strengthening communication** on network activities and proposed good practices;

• **Improving the networking method** by defining membership criteria for the city networks to select highly motivated municipalities;

• **Tackling the issue of the institutionalization of these networks** and their durability over time at the start. Today, institutionalization is not assured in Morocco, although discussions started in 2013. In Tunisia, the context is more favorable with the FNVT currently overhauling its status and its organization.

6. Quotes

“There is a ‘before’ and an ‘after’ the creation of the ‘Espace Citoyen’ of Menzel Bourguiba. The relationship between citizens and the administration has changed significantly; today, the two are at the same level.” *Mohsen Ben Abdallah, Head of the “Espace Citoyen”, Menzel Bourguiba*

“We have shared what we know about waste separation with municipalities in Tunisia. In return, they informed us about their experience in the social sector and with start-ups. So, a very productive exchange is possible.” *Mohamed Karkouri, Chief Engineer, Municipality of Beni Mellal, Morocco*
JORDAN
REGIONAL AND LOCAL DEVELOPMENT PROJECT (RLDP)

1. Basic Information and Technical Specificities

Presentation

Promoting regionally balanced local development through municipalities and other support mechanisms.

View of Zarqa, Jordan, one of the largest secondary cities of Jordan, targeted by the RLDP (Adeeb Atwan, 2013)

Stakeholders

Project owners: Ministry of Municipal Affairs (MOMA), Cities and Villages Development Bank (CVDB)

Owners of the sub-projects:
The municipalities of Jordan

Other partners: Ministry of Planning and International Cooperation (MOPIC), line ministries and related agencies

Total Budget

USD 52.4 million

Funding Source and Type

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<td>International Bank for Reconstruction and Development (Loan)</td>
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<td>French Development Agency – AFD (Loan and Grant)</td>
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</tbody>
</table>

Urban and Territorial Development Projects in the Mediterranean
A Compendium of Experiences of the CMI Urban Hub
Target Area

93 municipalities of Jordan (excluding the Greater Amman Municipality, and 6 rural municipalities)

Population of Jordanian cities (Presses de l’Ifpo, 2013)

Beneficiaries

Inhabitants of the targeted cities, representing 50% of the Jordanian population (approximately 3 million)

Duration

2006-2014

Contact

Chantal Reliquet, Former World Bank Officer, chantal.reliquet@gmail.com
Ghada Shaqour, World Bank Consultant, shaqourg@gmail.com

Useful Links

http://projects.worldbank.org/P070958/jo-regional-local-development
http://projects.albankaldawi.org/P070958/jo-regional-local-development?lang=ar
http://cmimarseille.org/blog/representatives-20-jordanian-municipalities-participate-upcoming-municipal-finance-and
www.afd.fr/base-projets/consulterProjeta.ction?idProjet=CJO3002
2. Context and Initial Objective

2a. Context

Territorial development issue:

Jordan is a relatively small country, with a population of some 5.5 million in 2006, 80% of whom live in urban areas. More than 50% of Jordan’s population lives in or depends economically on Jordan’s capital, Amman, and the surrounding metropolitan areas where services and economic opportunities tend to be concentrated. In addition, a Jordan Poverty Assessment showed that despite an improvement in the average standard of living from 1997 to 2003, the country experienced a 1.6% increase in inequality between governorates during the same period.

Jordanian municipalities, as the front-line agencies in providing local services, perform a critical administrative role to ensure territorial development and cohesion of the country.

Policy responses:

Between 1994 and 2000, in a context of increasing demand for services and pressing unemployment challenges, municipal hiring increased by 70% (accounting for 45% of municipal expenditures), thus placing an unsustainable burden on local government finances. This resulted in increasing deficits, mostly financed through advances and short-term loans from the Cities and Villages Development Bank (CVDB).

By 2000, around half of the 328 municipalities that existed at the time were declared insolvent, and the Government took action by amalgamating them into the 99 municipalities that exist today, declaring a hiring freeze, rescheduling municipality debts to CVDB, and launching a training program. In addition, central government’s financial transfers were increased by raising the local share of the fuel tax from 3 to 6 percent.

Main limitations of this response:

This response was only partially successful in addressing the problem of municipal finances because many of the systemic problems, such as the low limited municipal budgets, remained and still needed to be addressed.

Opportunity:

The RLDP was prepared at an urgent request of the Government, in response to the World Bank’s earlier analytical work on intergovernmental fiscal affairs and municipal finance issues. Implemented in cooperation with the AFD, it was also an opportunity to launch a first World Bank-assisted municipal development project in Jordan.
The project is initiating steps towards the country’s long-term objective of achieving regionally balanced growth and improved living conditions for more than half of the Jordanian population that lives outside metropolitan Amman by improving service delivery and enabling municipalities to play a more prominent role.

The project is arranged in four components:

• **Component 1 – Strengthening Selected National Level Institutions Involved in the Municipal Sector** (USD 3.78 million, or 7% of the budget) aimed to support strengthening the capacity of both:
  ◦ The Ministry of Municipal Affairs (MOMA), to restructure the transfer formula and support the establishment of the Municipal Sector monitoring and evaluation database, which would include both sector and project-specific baseline indicators and performance benchmarks
  ◦ The Cities and Villages Development Bank (CVDB), to restructure its board and oversight arrangement, as well as support the preparation of its business plan.

• **Component 2 – Municipal Infrastructure and Services** (USD 46.6 million, or 89% of the budget) aimed to introduce a performance-based grant system to finance locally identified and prioritized investments in municipal infrastructure and service provision. Access to grant funds was conditional upon meeting specified performance criteria. The allocation of grant funds was carried out through two cycles of applications and implementation of sub-projects.
  ◦ **In the first cycle**, the grant allocation was done on a per capita basis to 72 municipalities in Jordan (the remaining municipalities benefitted from a European Union-funded parallel project).
  ◦ **The second cycle** was designed to target only municipalities that met specific targets and indicators formalized in the municipal agreements while emphasizing projects that have a substantive economic development and revenue generating impact (e.g. vegetable markets, bus transport terminals, parking buildings, tourism facilities, etc.)

• **Component 3 – Municipal Capacity Building** (USD 2 million, or 4% of the final budget) aimed to provide technical assistance and training to municipalities through CVDB to strengthen their financial management, budgeting, local revenue collection, human resource capacity, investment project analysis and feasibility study preparation.

• **Component 4 – Local Economic Development Strategy and Investment Planning** (budget merged with Component 1) intended to strengthen regional planning, and foster connections and coordination among municipalities in their development planning efforts.
Progress in implementation was slow as illustrated by the extension of the closure date by three years (from 2011 to 2014). This extension is due to:

**Institutional constraints:**

- Changes in the implementation arrangements by moving the responsibility of the overall project coordination from the Ministry of Planning and International Cooperation (MOPIC) to the Ministry of Municipal Affairs (MOMA) following a reorganization of responsibility in the Jordanian government. The MOMA had a limited ability to (i) influence the government speed of decision making and (ii) managing the reform consultancies. To compensate these weaknesses, the technical assistance team attempted to build the capacity of the MOMA.

- The complexity of the project’s objectives and components which led the project team to (i) drop some of the original outcome indicators; and (ii) reconfigure the consultancy assignments from being component-driven to be theme-driven, reducing the number of contracts from 29 to 15 contracts.

**Socio-political and socio-spatial constraints:**

- Internal and external factors such as (i) frequent changes in the government, including at the MOMA, which have contributed to delays in the decision-making process with regard to appointment of staff, recruitment, and payment of consultants, as well as (ii) Syria and Iraq crises that led to a large influx of refugees which strained the government capacities and diverted its attention to emergencies, and slowed-down the reform process.

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### 4. Outcomes and Results

**4a. Results in Terms of Territorial Development Approach**

Using an equalization transfer mechanism, the RLDP proved successful in improving the equity and adequacy of central-local resource transfers, and therefore strengthened the service delivery capacity of municipalities, particularly the poorer ones.
4b. Outputs and Outcomes

- An important reform through the restructuring of an equalization transfer mechanism was adopted by Cabinet in 2013. The formula was divided as follows: 60% of funds based on needs (population, area, etc.), 20% based on performance, and 20% was for filling gaps. Since 2014, transfers to municipalities increased by more than 60%, and the poorer municipalities received amounts higher than the average increase.

- The completion of 140 municipal infrastructure and services sub-projects through two cycles of grant allocations of USD 15 million and 70 projects in each cycle. Under the first cycle, 28 revenue-earning sub-projects (parks and commercial stores) and 41 sub-projects in infrastructure investments (roads and drainage) were completed. Under the second cycle, only 52 municipalities were eligible, and the grants were allocated to 50 revenue-generating sub-projects and 20 infrastructure sub-projects.

Shortcomings include:

- The non-implementation of the CVDB re-organization reforms to strengthen its role as the public bank at the service of municipalities, despite the completion of a study for its restructuring.

- The municipal training program was not completed, and no baseline data was populated and analyzed for municipalities.

- The decision to fund 72 municipalities on a per capita basis diluted the fund available under the first cycle, thus limiting the potential of the program to fund substantive projects.

- Projects selected based on public consultation were not all successful, especially revenue-generating projects. The public is more concerned about services.

5. Lessons Learned and Follow-up

5a. Success Conditions

- The commitment of the government which implemented a major fiscal reform, despite the diversion of its attention and priorities in response to external shocks.

- The technical and managerial support provided to CVDB, MOMA, and Municipalities by the project team through extensive reviews, training and follow-up on issues identified during supervision missions.

- The strong coordination of efforts between the two donors (AFD and World Bank) as shown by the supervision missions all held jointly on a biannual basis.

- The good performance of the CVDB in fulfilling its procurement and financial management responsibility.
The equalization transfer mechanism that was implemented and upon which other projects have built. This new formula was implemented with technical assistance from the donor to the restructuring and the establishment of a Municipal Sector monitoring and evaluation database to include both sector and project-specific baseline indicators and performance benchmarks.

Based on the experience of RLDP, the following measures are recommended to scale-up the project:

• **Set modest goals** and keep the project simple in its design, scope, and institutional arrangement. Specifically, allocate funds based on clear and simple criteria to ensure transparency and objective assessment of municipal needs.

• **Continue strengthening the technical and financial management capacity** of MOMA and CVDB, as well as the municipalities, in order to ensure the sustainability of the project results (which will also depend on the improvement of the country’s macroeconomic performance).

• **Focus primarily on solid waste management and infrastructure** which are the main issues facing the municipalities. These issues must first be addressed before moving on to development and income generation projects.

Today, a second RLDP is being prepared by AFD and the EIB as part of the Urban Project Finance Initiative (UPFI). Nevertheless, this project cannot be assimilated to RLDP 1 as it will focus on a restricted number of secondary cities of Jordan and is not an all-encompassing project relying on an equalization transfer mechanism.

**6. Quotes**

“The project completed the first steps needed for regionally balanced development. The new transfer mechanism is quite innovative; it helps reduce income inequalities among municipalities while also rewarding performance.” (Chantal Reliquet, Former World Bank Officer)

“RLDP was a learning curve, on which other World Bank projects in Jordan [such as the Emergency Services and Social Resilience Project] have built.” (Ghada Shaqour, World Bank Consultant)
PALESTINIAN TERRITORIES
MUNICIPAL DEVELOPMENT PROJECT (MDP)

1. Basic Information and Technical Specificities

Presentation

Improving municipal management practices for better service delivery and municipal transparency.

Stakeholders

Project owners: Municipal Development and Lending Fund (MDLF), Ministry of Local Governments (MoLG)
Ownership of the sub-projects: the 134 municipalities

Total Budget

Phase 1: USD 75.44 million
Phase 2: USD 74.85 million

Funding Source and Type

PHASE 1

Funding (All Grant) | Amount (USD million) | %
--- | --- | ---
Palestinian Authority (PA) | 3.36 | 5
World Bank and co-financing administered by the WB (Denmark – Danida – and Sweden – Sida) | 37.99 | 50
Co-financing in parallel: Germany – GIZ and KFW (about 22 million), France – AFD (11 million) and Belgium – BTC (1 million) | 34.09 | 45
**TOTAL** | **75.44** | **100**
**PHASE 2**

**Funding (All Grant)**

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<td>35.8</td>
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<td>Co-financing in parallel: Germany – GIZ and KFW (about 18 million), European Union (6 million), Switzerland – SDC (3 million), France – AFD (2.5 million), Netherlands – VNG International (1.5 million) and Belgium – BTC (1 million)</td>
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**Target Area**

Urban Palestinian territories (located in Area A and B)

**Benefits**

Approximately 3 million people (74% of the Palestinian population)

**Duration**

Phase 1: 2009-2013
Phase 2: 2013-2018

**Contact**

Christopher Pablo, World Bank, cpablo@worldbank.org
Bjorn Philipp, World Bank, bphilipp@worldbank.org

**Useful Links**

2. Context and Initial Objective

**Territorial development issue:**
Palestinian Territories (which include West Bank and Gaza) are home to about 3.7 million inhabitants in 2009 (4.5 million in 2017) of which, more than three-fourths are living in municipalities. Municipalities are one of the oldest forms of government in Palestine – older than the Palestinian Authority (PA) which was established following the Oslo Accords (1993-1995). According to the Local Government Law of 1997, municipalities are required to provide a large number of basic services including local roads, electricity, water, sewerage, solid waste, public parks, etc.

**Policy responses:**
The PA and municipalities have demonstrated significant progress in municipal and local development. In 2005, the PA established the Municipal Development and Lending Fund (MDLF) to address financing and capacity building of municipalities.

**Main limitations of these responses:**
These measures had not yet dealt with the challenges raised by the shrinking of municipal budgets due to:

- **The ongoing conflict with the government of Israel (GOI) and the subsequent contraction of the economy.** Israeli military incursions have led to sizable losses in municipal assets which severely affected the delivery of municipal services.

- **Restrictions on movement outside and within the territory.** The West Bank is divided into Areas A, B, and C, each with its specific administrative and security arrangements, which continues to hamper potential private investment and prevent full and adequate coverage of municipal services.

- **Poor municipal management and a culture of nonpayment amongst users make collections extremely volatile.**

**Opportunity:**
In 2010, a national reform agenda, the Palestinian Reform and Development Plan (PRDP), identified fiscal autonomy at the local level as a key area of reform. To support the PRDP, donors have coordinated their efforts and agreed to jointly fund—only through grants as the Palestinian Territory is not a sovereign state and cannot receive loans—a Municipal Development Program (MDP) to be implemented over several phases.
The overall objective of the MDP is to improve the quality and coverage of services in all 134 municipalities through the provision of technical assistance combined with performance-based grants for sub-projects. The MDP was initially designed in a two-phase approach: the first phase (MDP1) is, in accordance with the PRDP, designed to put in place improved management tools, as a first step towards improving service delivery which would come later in the second phase (MDP2). A third phase is currently ongoing and aims to further empower municipalities in service delivery.

### 3. Actions and Challenges Faced

As MDP2 is essentially a repeat of MDP1, the two phases are structured in the same way:

- **Component 1 – Municipal Grants for Capital Investment** (USD 65 million for MDP1, USD 54 million for MDP2) allocates grants for capital investment service provision in two cycles of 18 months each. The allocation amount is determined through a transfer formula designed to incentivize better management practices, based on population (40% for MDP1, 30% for MDP2), needs (20%), and performance (40% for MDP1, 50% for MDP2). Municipalities then propose priority sub-projects which will be financed and implemented with assistance from the MDLF.

- **Component 2 – Support to Municipal Innovations and Efficiency** (USD 1.9 million for MDP1, USD 6.5 million for MDP2) supports sub-projects that promote municipal revenue generation (local economic development), and cost savings (e-governance practices, solar energy for public utilities) in targeted municipalities including newly amalgamated municipalities.

- **Component 3 – Capacity Building for Municipalities and MDLF** (USD 2.5 million for MDP1, USD 6.25 million for MDP2) complements the grant allocation mechanism by providing technical assistance to MDLF as well as municipalities to help the latter graduate to a higher performance category by improving their financial management, planning capacities—through strategic development and investment plans (SDIPs) implemented in a participatory manner—and technical capabilities.

- **Component 4 – Project Implementation Support and Management Costs** (USD 6.5 million for MDP1, USD 8.5 million for MDP2) finances services for monitoring and evaluation, outreach and communication (through one-stop shops/citizen-service-centers, communication campaigns, etc.), and local technical consultants for the supervision of Component 1 and the MDLF management fees.
Main challenges identified for MDP1 and MDP2 were:

**Institutional constraints:**
- **Coordination of efforts** between donors which were not fully aligned although the project was jointly prepared, and sometimes supervision missions were carried out jointly. For instance, partners only accepted a minor adjustment to the target indicators (considered low by the World Bank) after a USD 2 million extension of the amount of MDP1, as their bilateral engagements were based on original targets.

**Financial constraints:**
- **Delays in the PA financing the cycles of sub-projects** or its inability to provide the full funding due to tight fiscal situations, lead to some projects not being implemented (10 sub-projects out of 522 for MDP1).

**Socio-political and socio-spatial constraints:**
- **Restrictions on access to Gaza.** MDLF staff in the West Bank who were forbidden to enter Gaza due to Israeli military restrictions. Cement and other crucial building materials were also forbidden per Israeli restrictions. These challenges were overcome through weekly audio conferences between MDLF offices in Gaza and Ramallah (West Bank), and by repurposing rubble into brick-like shapes to construct roads.
- **The November 2012 hostilities which involved incursion by the Israeli Defense Forces in Gaza** led the Gaza economy contract by 15%. As a result, the use of 20% of core and performance-based grants for recurrent expenditure was permitted for Gaza Strip municipalities during MDP2 to take into account the particular circumstances they faced.

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### 4. Outcomes and Results

**4a. Results in Terms of Territorial Development Approach**

The MDP contributes to **reducing the disparity in municipal infrastructure** between such municipalities by linking the grant size to the degree of infrastructure deficit calculated using proxy indicators: availability of roads, water, public space, office space, etc.

Based on an econometric analysis that was conducted after MDP1, there is no statistically significant association between initial poverty levels and initial municipal performance. Hence, the opportunities for poor municipalities to receive additional performance-based funding were equal to those of rich municipalities.
4b. Outputs and Outcomes

As MDP2 was completed only recently, few results are available. The ones that are available are not very different from MDP1:

- **Improvement of Municipal Management Practices.** In MDP1, 96% of municipalities graduated up the performance category B or C (while the initial target was 30%), which means that they have at least carried out municipal development and investment plans, put in place adequate financial accounting policies and procedures and were subject to external audits. In MDP2, 38% of them achieved a higher performance ranking.

- **Implementation of projects and creation of jobs.** In MDP1, most sub-projects selected through the SDIPs were for roads (57%). Roads have been favored because: (i) they are a basic necessity for access even though they may not be the priority need for communities, (ii) they are easier to build in a modular fashion and fit to the limited budget and timeline of MDP1, which requires municipalities to implement project in 18-month MDP cycles, (iii) roads are visible, so the improvement is sure to be noticed by the community.

- **Satisfaction of beneficiaries.** The overall level of citizens’ satisfaction with local services remained constant in most sectors, however, the satisfaction with roads and recreational services (parks) deteriorated. The detailed results show that this does not apply to “treated households” (i.e. households that benefitted from MDP1) which have a significantly higher level of overall satisfaction.

5. Lessons Learned and Follow-up

5a. Success Conditions

- **Regarding the project preparation:**
  - Simple indicators and clear objectives
  - The grant allocation system to: (i) spread the risk of failure broadly across many municipalities; (ii) create competition among municipalities by linking the size of investment grants to performance.

- **Regarding the project implementation:**
  - Donor coordination (essential for pooling resources) through joint project development, use of single procurement, financial management (and monitoring systems and joint supervision missions).
  - MDLF is a lean organization with highly skilled staff.
5b. Innovative Aspects

**Energy efficiency investments** have proved financially and technically feasible in the Palestinian Territories. MDP1 has successfully piloted the introduction of energy efficiency investments (under Component 2) for street lighting, public buildings, and water and sewage pumps. Under Component 1 of MDP2, all investments in street lighting, energy efficient public buildings and water and sewage pumps had to include energy efficiency technical specifications.

5c. Recommendations and Scaling-Up

A third phase of MDP is currently being implemented by the World Bank and other donors. This new phase builds on some of the lessons learned from the first two projects.

- **Improve the sequencing of activities** since capacity building (Component 3) should preferably start before the grant allocation (Component 1).

- **Strengthen municipal capacity** by transferring funds allocated to municipalities (not directly to contractors through MDLF) to improve their creditworthiness and reduce reliance on donor aid, which is unsustainable.

6. Quotes

“When I first joined this unit, I felt quite proud of the [World] Bank, which was able to deliver things despite the constraints. I am really happy that we can make things work.” *(Christopher Pablo, World Bank Officer)*

“The most important thing (through public participation in the preparation of strategic investment plans) is that we started to work democratically. The local community participated with all its parties, youth, and women.” *(Ahmed Rachid Melhem, Mayor of Kofr Raee)*
TUNISIA

Urban Development and Local Governance Program (PDUGL)

1. Basic Information and Technical Specificities

Presentation

Supporting Tunisia in its aspiration to decentralize power by providing the necessary structures, accountability systems, and resources for local governments to meet the growing needs of citizens for improved services and to promote an enabling environment for development across the country.

Stakeholders

Project owner: Ministry of Interior (until December 2015) and then, Ministry of Local Affairs and Environment (created in January 2016)

Implementing partner: CPSCL (Caisse de Prêt et de Soutien aux Collectivités Locales/ Municipal Development Fund)

Other partners:

- 272 Local Governments (LGs) of Tunisia
- Controller General of Public Services (CGSP)
- Court of Auditors (Cour des Comptes)
- CFAD (Decentralization Support and Training Center)
- Ministry of Development, Investment, and International Cooperation (MDICI)
- Ministry of Finance (MoF)

Total Budget

Initial budget (as of June 2014): 1,127 million Tunisian dinars (USD 751 million).
Funding Source and Type

<table>
<thead>
<tr>
<th>Funding</th>
<th>Amount (USD million)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Tunisia (that includes (i) estimated net savings from local governments (ii) and investment loans to them from CPSCL)</td>
<td>Estimated at 451</td>
<td>60</td>
</tr>
<tr>
<td>IBRD (World Bank) loan</td>
<td>300</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>751</td>
<td>100</td>
</tr>
</tbody>
</table>

Target Area

100% of existing municipalities of Tunisia at the time of signature of the loan agreement in 2014 plus the municipalities that emerged from division of eight original municipalities.

Beneficiaries

Tunisian residents of local governments in the program (about 9.7 million)

Duration

Initial phase: 2014-2019
Additional financing expected for 2019-2022

Contact

Ayah Mahgoub, World Bank, amahgoub@worldbank.org
2. Context and Initial Objective

2a. Context

Territorial development issue:
Tunisia is marked by significant imbalances in terms of regional development. Economic activities are mainly concentrated in Tunis, the capital, and the northern and northeastern coastal regions. The southern, central-western and northwestern regions are generally less developed than coastal areas. In 2014, the unemployment rate was 23% on average in the interior regions, while it was 15% in Tunis, and 10% in the coastal regions.

In this context, social unrest erupts at regular intervals in disadvantaged regions, culminating in the 2010-2011 revolution that resulted in the overthrow of President Zine El Abidine Ben Ali. Citizen demands included: better service delivery, higher transparency of decisions and government processes, better accountability towards citizens, and increased citizen participation in decision making.

Policy responses, their rationale and effects:
The World Bank has been collaborating for many years with the Tunisian government in the municipal development sector, particularly on issues such as poor access to municipal infrastructure and basic services, lack of training for LG officials, and limited access to finance for LGs. The three World Bank-funded Municipal Development Projects (PDMs) in Tunisia have made significant contributions with respect to access to basic infrastructure.

Main limitations of these responses:
The pre-revolution environment did not allow for significant reforms to institutional development and LG responsibilities. World Bank studies have shown that, in many cases, infrastructure delivered in decentralized contexts is of higher quality and less costly than in more centralized settings, and that results-based approaches to municipal development have more sustained impacts.

Opportunity:
The transitional phase of democratic and political reform that Tunisia is going through opens a new window of opportunity:
2b. Main Objectives

The objectives of the program are: (i) to strengthen LG performance to deliver municipal infrastructure, and (ii) to improve access to services in targeted disadvantaged neighborhoods.

3a. Components and Implementation Steps

The Program consists of three sub-programs:

- **Sub-program 1: Municipal Infrastructure Delivery.** LGs receive performance-based unconditional grants, if they meet annual minimum conditions and achieve satisfactory annual performance scores calculated along performance-based indicators of good governance, management, and sustainability. This sub-program involves the preparation of annual Municipal investment plans (Plans annuels d’investissement – PAI) for each LG to deliver municipal infrastructure (such as roads and paving, solid waste collection, parks and recreation facilities, markets, and other environmental improvements, etc.) following a more programmatic, participatory, and transparent approach than has been followed in the past (including how consultation meetings with inhabitants and civil society are arranged).

- **Sub-program 2: Improving Access to Municipal Infrastructure in Disadvantaged Neighborhoods.** The Government provides conditional grants to improve access to municipal services in selected disadvantaged neighborhoods through consultancy services and civil works for roads and paving, street lighting, sewerage extension/connection to public network, and storm water drainage.

- **Sub-program 3: Capacity Support for Improved LG Institutional Development and Accountability.** LGs receive capacity development and technical support to prepare and implement their plans via training programs offered by CFAD and technical assistance from CPSCL as well as through local consultancy services. This includes the creation of a platform allowing for LGs and stakeholders of the program to internally monitor and manage program processes and offers an external data portal accessible to all citizens.

• A new Constitution was promulgated on January 27, 2014 and includes clear commitments to decentralization. The first article dedicated to LGs states that “local power is based on decentralization” (Chapter VII, Article 131).

• Important reforms have been initiated. A new Local Governments Code was approved in April 2018, full communization of the country has been achieved, and elected LG representatives were chosen on May 6, 2018 in the first post-revolution municipal elections.
3b. Challenges Faced

**Institutional constraints:**

- The first challenge inherent to decentralization is the difficulty of transferring power from the main power holders, and finding the right balance between strong local government capacities and at the same time the fact that these capacities can only be strengthened once LGs are given responsibility and resources. This is evident with the difficulty of finalizing and approving the new LG Code and the postponement of local elections several times. Therefore, the program is, by nature, a “learning by doing” process and needs continuous support for trouble shooting.

- A significant challenge for this type of reform is coordination among multiple stakeholders. The program directly involves the collaboration of seven Tunisian institutions: the Ministry of Interior (now Ministry of Local Affairs and Environment), the CPSCL, the CFAD, the MoF, the Court of Auditors, the CGSP, and the MDICI. Most of these stakeholders did not have a history of mutual collaboration before the program. The opportunity to co-create key elements of the program (e.g. the LG performance assessment) and to organize a team-building study tour in Turkey at the beginning of implementation proved particularly effective in building strong links among the counterparts of these diverse institutions.

- Slow implementation of infrastructure which creates a gap between expectations and actual achievements of the program. The infrastructure and service delivery gaps are significant, with a lack of visible results in the early stages of the program leading to some frustrations. This is due to the fact that efficiency of LGs to deliver is progressively being built and also requires coordination with other actors (for instance, ARRU for infrastructure works in some disadvantaged neighborhoods).

**Socio-political and socio-spatial constraints:**

- The fluctuant political and legal context: (i) with the creation of the Ministry of Local Affairs (MLA) in January 2016 as the main program owner, and then its merging with the Ministry of Environment in August 2016 (MLAE) (ii) the code governing local governments was delayed, as was the operationalization of the changes it will introduce; (iii) local elections scheduled for May 6, 2018 changed the political climate—not being able to work with elected council at the local levels adds to the challenge.

**Financial constraints:**

- The large amount of technical assistance needed to support such ambitious reforms, especially considering the many various technical aspects of the program which required the team to raise funds with various trust funds, including restructuring an existing Single-Donor Trust Fund (funded by Swiss Cooperation – SECO) into a multi-donor trust fund (Moussanada) with a new window dedicated to the support of Local Governments and decentralization.
4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

The PDUGL is well-aligned by considering all cities of the country and does not attempt to discriminate for lagging regions, which is an adequate way to ensure convergence in leaving standards while supporting economic growth.

In addition, the focus on disadvantaged neighborhoods (Sub-program 2) is not contradictory with such an approach as most neighborhoods are located in already dense urban areas.

4b. Outputs and Outcomes

• Through the program, the Government successfully promoted the establishment of an LG performance-based capital grant system which provides incentives to LGs to improve their performance in three areas: (i) governance (increased transparency of information, participatory planning), (ii) management (finance, procurement, and human resources), and (iii) sustainability. In 2016, 75% of the 264 LGs met the threshold of the performance assessment score (70 points), while 98% have satisfied the Minimum Mandatory Conditions required to receive the grants.

• Local governments have also progressed in their planning and implementation of priority infrastructures.

• Finally, central government institutions and LGs benefited from training and technical assistance to perform their new tasks, including through the establishment of a transparent (web based) information disclosure system which allows for LG and citizens to monitor results related to the program.
5. Lessons Learned and Follow-up

5a. Success Conditions

• The necessity to remain agile and proactive to adapt as the system evolves, considering the fluctuating political, economic, and institutional context of the country.

• The fact that the program’s various processes are set in decrees/laws (i.e. fully institutionalized), thus ensuring sustainability of the system introduced in Tunisia, even after Program completion.

• The choice of the executing agency, the CPSCL was decisive in facilitating the implementation of the program;

• The support of the Tunisian government starting with the former Minister of Local Affairs Yousef Chahed, now Chief of the Government and the current Minister of Local Affairs and Environment, Riadh Mouakher, and with strong execution by the implementing agencies with CPSCL taking the lead.

5b. Innovative Aspects

• The World Bank’s “Program for Results” instrument used (one of the first PforRs worldwide, and the first in Tunisia) and linking disbursement of funds directly to the achievement of specific institutional results.

• The new grant formula (transparent and equitable).

• The performance-based grant (the first and only one in Tunisia).

• The yearly auditing of LG financial accounts by the Court of Auditors.

• The online publishing of LG data (performance, grants, budget, etc.) on the E-Portal.

5c. Recommendations and Scaling-Up

Additional finance of USD 130 million funded through a loan from World Bank is expected to extend the program over the period 2019-2022. A number of areas of improvements have been identified by the government for the future of the program.

• Increase the level of transfers allocated to municipal investment, in order to increase the size of investment at local level.

• Further align the transfer system to further deepening of decentralization.

• Incentivize greater results by reforming the performance grant system to be more results-oriented. As a matter of fact, the performance assessment is now being restructured to become the first WB-financed LG performance assessment that shifts from being process-oriented to more output- and outcome-oriented.
• **Build management capacities at the local level** by ensuring that key positions in municipalities are filled and providing targeted support in the implementation of the investment plans.

• **Encourage the government to launch a large-scale communication strategy.** Citizens remain uninformed and unaware of these reforms, which nevertheless involve them because they have a direct impact on their local environment, and because they require their participation in local decisions. The government has taken ad hoc—but not systematic—communication action.

• **Provide support in financial management** to deal specifically with weak audit systems, double-entry accounting, and debt management.

In parallel, the 86 remaining recently created municipalities will be covered by specific programs funded by EU (with delegation of funds to AFD), Italian Cooperation, and KFW—largely based on PDUGL methodology.

### 6. Quotes

“The Program covers all existing 264 LGs at the time of approval (80 communities were created since then). Hence, the Program is not a piloting experience. Impact and sustainability is much higher than other programs.” *(Claire Azzabi, World Bank Urban Development Consultant)*

“The citizen started being interested when he felt involved. He paid attention when we made him aware of his responsibility, through the impact of his participation and the results on the field.” *(Naim Ben Rachid Tayechi, President of the Special Delegation of Douar Hicher)*
CHAPTER 3
URBAN DEVELOPMENT AND UPGRAADING
CHAPTER 3
Urban Development And Upgrading

Urban development and urban upgrading are two complementary approaches dealing with urban issues: one focuses on the transformation and/or the improvement of already existing urban areas while the second aim to develop new areas, which can take the form of new districts or new cities. As such, urban development and urban upgrading projects can contribute not only to improve living conditions, but also to create economic development activities. The three case studies presented below involve:

• Two national scale projects, with the Cities Without Slums Program that was implemented in Morocco as an endeavor to resettle inhabitants of all slums of Morocco and therefore improve their living conditions, and the Cultural Heritage and Urban Development (CHUD) project, a multi-city project that aims to improve living conditions and create the conditions for local economic development in secondary cities of Lebanon.

• A city scale initiative, the Zenata Eco-City project, is an attempt to economically develop the industrial East of the Casablanca metropolitan area in Morocco, comparatively more impoverished than the western area of Casablanca.

Overall, the most interesting and promising initiatives are the one privileging in situ resettlement and promoting local economic development (Morocco, Lebanon, Turkey), as shown in the case of CHUD (Lebanon) and Zenata (Morocco). Despite their limitations – for instance when slum dwellers are relocated in sites that are far from economic activities and poorly connected to the city, see above – such projects create solutions for improved living conditions and economic opportunities, thereby bolstering a sense of belonging to the city.
MOROCCO

CITIES WITHOUT SLUMS

1. Basic Information and Technical Specificities

Presentation

A national program to fight against substandard housing.

District of Lahraouyine in the Greater Casablanca area (Olivier Toutain)

Stakeholders

Project owner: Ministry of National Planning, Urban Planning, Housing and City Policy
Implementing partners: Holding d’Aménagement Al Omrane (HAO) for 75% of the operations, Imdaj Sakan and Diyar Al Mansour for the rest
Other partners: Mainly the Ministry of Interior, local government units (wilayas and prefectures) and decentralized authorities (municipalities)

Total Budget

Estimated at 32 billion dirhams (€2.8 billion or 3.4 billion USD) at the end of 2017

Funding Source and Type

Program funding is approximately organized as follows

<table>
<thead>
<tr>
<th>Funding</th>
<th>Amount in billions (dirhams)</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>Beneficiary households</td>
<td>9.5</td>
<td>30</td>
</tr>
<tr>
<td>Equalization (sale of units in parallel at market price)</td>
<td>9.5</td>
<td>30</td>
</tr>
<tr>
<td>State (Housing Solidarity Fund – FSH, Mohammed V Foundation, Hassan II Fund)</td>
<td>10</td>
<td>31</td>
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<tr>
<td>Donors including AECID, AFD, Cities Alliance, EU, EIB, JICA, USAID, World Bank (loans and grants)</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>32 billion</td>
<td>100</td>
</tr>
</tbody>
</table>

District of Lahraouyine in the Greater Casablanca area (Olivier Toutain)
Target Area

Approximately 1,000 slums in 85 cities of Morocco

Ministry of Housing, 2017

Beneficiaries

403,691 households (about 2 million inhabitants) at the end of 2017

Duration

Since 2004

Contact

Mohamed Benabdesselam, Former Al Omrane official, m.benabdesselam@gmail.com

Useful Links

http://www.mhpv.gov.ma/?page_id=956
https://www.youtube.com/watch?v=KOYPo9_tSwc
https://www.youtube.com/watch?v=Klxw9sivuuU
2. Context and Initial Objective

2a. Context

Territorial development issue:
Since the 1960s, Morocco has been experiencing a strong rural exodus. The urban population has risen sharply, from 29% in 1960 to 41% in 1980 to reach 57% in 2002. Each year, nearly 240,000 people migrate from the countryside to the cities and faced with a lack of adequate housing, a significant portion of this population settles in substandard housing, including slums.

Policy responses, their rationale and effects:
In the face of the health and security risks shaped by slums, slum upgrading programs are being carried out, particularly since the 1980s in the context of the 1981 riots in Casablanca, without, however, succeeding in limiting their expansion. A new impetus was given following the Royal Address of 20 August 2001, which made the fight against substandard housing a national priority, and the launch of the PARHI (National Action Program for the Resorption of Substandard Housing).

Main limitations of these responses:
These policies remained limited in scale and did not succeeded in reducing the proportion of slums in Morocco, which was still increasing.

Opportunity:
In 2004, a few months after the Casablanca bombings of 16 May 2003 whose perpetrators came from one of the biggest and oldest slums of the Moroccan metropolis (the Karian Thomas slum), the Moroccan government initiated the “Cities Without Slums” program (which refers to Cities Alliance’s 1999 “Cities Without Slums” action plan). Slums were then seen as an environment that produces terrorists.

2b. Main Objectives

The Cities Without Slums program (PVSB) is a large-scale operation that aims to eradicate slums (initially 270,000 households; figure revised to 403,691 in 2017) through three modes of intervention:

• **In situ slum upgrading** by providing the necessary infrastructure (sanitation, drinking water, electricity), formalizing the urban and land situation and by releasing rights-of-way for the passage of roads and the setup of facilities;

• **Rehousing**: subsidized sale of collective housing with an area of approximately 60 m² per unit, mainly through public/private partnerships.

• **Resettlement**: selling single or multi-family subsidized serviced housing lots to families at subsidized prices (64 to 80 m²), to be valued in self-construction.
3. Actions and Challenges Faced

3a. Components and Implementation Steps

The program is structured as follows:

- **Component 1 - Housing** implemented through “Cities Without Slums” agreements signed between the Ministry of Housing and the local authorities of each city. These agreements set goals and action plans for slum upgrading. For each operation, the main steps are the following:
  - Choice of the mode of intervention (restructuring, rehousing, resettlement) by the Ministry of Housing, in consultation with the Ministry of Finance.
  - Signature of a specific agreement involving the operator and the local and central authorities concerned.
  - Listing of beneficiaries conducted and approved by the local authorities.
  - Preparation of the land (in the case of resettlement) by the operator in connection with network managers and, where appropriate, housing construction.
  - Destruction by slum households of their own shack.
  - Allotment of a serviced lot or housing after payment of a lump sum (15,000 dirhams for restructuring units, 25,000 dirhams for resettlement lots, and 40,000 dirhams for housing).

- **Component 2 - Financing of beneficiary households** implemented with the creation of a guarantee fund (FOGARIM) that allows the coverage of loans under 120,000 dirhams granted by commercial banks to low-income households.

- **Component 3 - Social support** which works parallel with the housing action to provide support and access to urban services (opening of standpipes, sewage system), economic activities (creation of women’s cooperatives) and education (literacy classes, etc.).

3b. Challenges Faced

Most of the challenges in the implementation of the Program are related to the very ambitious quantitative objectives of the program (270,000 households dealt with and 85 cities without slums for a completion initially planned in 2010, 6 years after its launch) which resulted in:

Institutional constraints:

- An uneven institutional backing on the ground:
  - Decentralized authorities have not always made the program their main priority.
  - Municipalities have not been formally involved in the multi-stakeholder agreements.
Financial constraints:

- **The choice to favor resettlement**, deemed less complex, less expensive and more in line with the wishes of the beneficiaries, whereas initially, it was expected that 32% of households would be subjected to restructuring, 45% to resettlement and 23% to rehousing;

- **Granting low-income families loans without sufficient prior information** and without conducting the necessary solvency investigations. Many of them became insolvent and the banks that had lent money withdrew;

- **The lack of public real estate** that can be mobilized, especially in large cities, forcing the state to offer solutions that are increasingly outside cities;

- **The very large increase in the number of households that fall under this program**, because of population growth, the extension of urban boundaries and the increase of the demand triggered by the public subsidy for the purchase of a lot of land;

Technical constraints:

- **The weakness of social support teams** ensuring the integration of beneficiaries at the time of transfer and after their settlement on the new sites, hence, in some cases, the resistance of households to transfers decided by the administration;

- **Poor coordination for access to urban equipment and services**, such as the programming of transportation services in new neighborhoods;

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

Using the date provided by a post-evaluation study published in 2014 on selected neighborhoods (that are not necessarily representative of the whole program), we can notice that the PVSB undeniably contributes to the integration of slum dwellers into the city through better access to basic services, as well as a sense of social advancement and optimism about living in “permanent housing” and “in a neighborhood like the others.” In the meantime, it has the opposite effect of deteriorating living conditions of some households due to:

- the non-completion and insufficiency of facilities and services (schools, health centers, communal ovens, hammam). This issue especially concerns the early years of the program (before 2007);

- the remoteness and isolation of resettlement sites that are often poorly connected to the city, which reduces the mobility of families, especially women.
The PVSB has made significant progress in slum upgrading. From a quantitative point of view, at the end of 2017:

- 58 out of 85 targeted cities have been declared cities without slums;
- 257,000 households (1.3 million inhabitants) have benefited from the program with an achievement rate of 95% compared to initial objectives, and 64% compared to updated objectives. There are still about 134,000 households waiting.

Strong political will at the national level, particularly at the launch of the program;

Support provided by local authorities and especially governors to facilitate procedures (e.g., pressure on families, land acquisition, administrative authorizations, etc.)

Significant financial resources mobilized through the Social Housing Fund (fueled by a tax on the purchase of cement), and supplemented by donor support;

Contracting tools (CWS conventions and specific agreements) set up to organize the roles of each stakeholder.

Over time, however, it appears that the newly built homes are progressively integrated into the city, as the state completes the connection of new neighborhoods, and inhabitants resort to informal solutions to compensate for deficits in some services.

FIGURE: Effects in terms of territorial integration of former slum dwellers

- Improvement
  - Improved housing conditions
  - Increased housing value

- Worsening
  - Insufficiency of public services
  - Reduced mobility of families

Gret-AREA, 2014
### 5b. Innovative Aspects

The **“associated third party” procedure**. This procedure has enabled a large number of low-income households to finance their housing by partnering with a third-party investor contractually committing to finance and build housing on the plot. In return for their financial contribution, the “associated third party” generally gets one or two floors of the building which they will live in, rent, or sell. However, this system can only be replicated in sufficiently attractive areas to ensure interest of the investor.

### 5c. Recommendations and Scaling-Up

- **Improve the urban and social integration of inhabitants** in their new place to avoid withdrawal. This implies that the supply of services is strengthened and that several parameters, other than housing, are taken into account, especially employment and schooling.

- **Take into account the preferences and constraints of households** by diversifying supply (different surfaces, finishing levels of dwellings, etc.) and adapting support to demand for the poorest households or households in special situations, through specific financial or in-kind support.

### 6. Quotes

“Slum upgrading means changing housing, but changing housing also means changing life.” (Olivier Toutain, Independent Consultant, paraphrasing Henri Coing)

“Despite the constraints, the ‘Cities Without Slums’ program has improved the living conditions of 258,000 households, or more than one million inhabitants through the declaration of 58 cities without slums out of a total of 85 cities concerned.” (Abdelahad Fassi-Fehri, Minister of National Planning, Urban Planning, Housing and City Policy)
LEBANON
Cultural Heritage and Urban Development (CHUD)

1. Basic Information and Technical Specificities

Presentation

Fostering an integrated urban development approach using cultural heritage as a vehicle to promote inclusive and equitable growth across the country.

The port of Tyre after its rehabilitation (World Bank)

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project owner:</strong> Municipalities of Baalbek, Byblos, Saida, Tyre and Tripoli as well as the Council for Development and Reconstruction (CDR)</td>
<td>USD 112 million</td>
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<td><strong>Other partners:</strong> Mainly the Directorate General of Antiquities (DGA), Ministry of Culture, Ministry of Tourism, Ministry of Public Works, Directorate General for Urban Planning (DGU)</td>
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</table>

<table>
<thead>
<tr>
<th>Funding Source and Type</th>
<th>Amount (USD million)</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>Government of Lebanon</td>
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<td>5</td>
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<tr>
<td>World Bank (Loan)</td>
<td>58.5</td>
<td>50</td>
</tr>
<tr>
<td>French Development Agency – AFD – and French Government (Loan and Grant)</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Government of Italy – AICS (Loan)</td>
<td>10</td>
<td>9</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.85</strong></td>
<td><strong>100</strong></td>
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</tbody>
</table>
Target Area

Cities of Baalbek, Byblos, Saida, Tyre, and Tripoli

Beneficiaries

People residing on the project sites (49,000), domestic and international visitors (420,000) as well as the population living close to the project sites (1,420,000)

Duration

Phase 1: 2003-2013
Phase 2: 2014-2019

Contact

Wafa Charafeddine, CDR, wcharafeddine@cdr.gov.lb
Guido Licciardi, World Bank, glicciardi@worldbank.org

Useful Links

http://projects.worldbank.org/P050529/cultural-heritage-urban-development-project
https://www.afd.fr/fr/patrimoine-culturel-et-developpement-urbain
https://www.youtube.com/watch?v=tCWo8n5TfU
2. Context and Initial Objective

2a. Context

Territorial development issue:
Lebanon is a small country of about 3.7 million inhabitants (as of 2003) that had been very affected by the civil war (1975-1990), during which major destructions occurred and which left cities divided economically, socially, and spatially.

Policy responses, their rationale and effects:
During the 1990s, most reconstruction efforts had targeted the capital city, Beirut, and in particular its city center which was severely destroyed.

Main limitations of these responses:
Few post-war government initiatives, however, have targeted secondary cities despite the fact that their urban fabric had also been affected by wartime damage and urban pressure, in addition to the lack of resources for heritage conservation.

Opportunity:
Several secondary cities of Lebanon have a great cultural heritage potential that could be the basis for an integrated urban development approach that would use cultural heritage as a vehicle for promoting inclusive and equitable growth across the country.

Tripoli and Saida possessed compact historic centers with well-preserved old medinas and impressive citadels, while Baalbek, Tyre, and Byblos were famous for their archeological sites (which are on the UNESCO World Heritage list).

Such approach was consistent with the World Bank strategy supported by President James Wolfensohn, and especially its 1999 framework for action which “highlights the exploitable synergy between a proactive cultural heritage position and the Bank’s central objectives of employment creation and poverty reduction.”

2b. Main Objectives

The objectives of the Cultural Heritage and Urban Development Project (CHUD) are the following:

• To create the conditions for increased local economic development and enhanced quality of life in the 5 targeted cities (Baalbek, Byblos, Saida, Tyre and Tripoli); and

• To improve the conservation and management of Lebanon’s built heritage.
3. Actions and Challenges Faced

During the two implementation phases, the project was structured into three components:

- **An Urban component — Rehabilitation of Historic City Centers and Urban Infrastructure Improvements** (USD 90.1 million) which included: (i) Upgrading and improvements of public spaces; (ii) Conservation and adaptive reuse of monuments and historic buildings; (iii) Creation, furnishing and management of tourist circuits; (iv) Rehabilitation of the heritage housing stock; (v) Enforcement of city center zoning regulations; (vi) Traffic and parking improvements for historic centers; (vii) Protection and landscaping of coastal and green areas.

- **An Archaeological component — Archeological Sites Conservation and Management Improvements** (USD 20.8 million) included activities that took place primarily in Baalbek and Tyre, two of the main archeological sites of Lebanon, and to a lesser extent in Tripoli: (i) Research and documentation; (ii) Conservation of surfaces and structures; (iii) Site presentation to visitors; (iv) Site management.

- **An Institutional Strengthening component** (USD 7.7 million) that included technical assistance and capacity building activities: (i) Management of historic centers by municipalities and DGU; (ii) Strengthening municipal support to local economic development and communications; (iii) Reform of the cultural heritage institutional and regulatory framework; (iv) Restructuring and strengthening of the DGA; (v) Project management by the CDR.

In the last years of implementation, several aspects of the project were fine-tuned, mainly because of the impacts of the Syrian crisis (an estimated 1.5 million Syrian refugees). The project increasingly focused on: (i) addressing fragility; and (ii) enhancing a strong private sector angle, to respond to the demands of government, bank management, other donors, and evolving country context.

**Institutional constraints:**

- **Exogenous factors due to the country instability and the volatile situation in the region.** Lebanon is a fragile country and projects are often challenged by country and regional factors. Despite those challenges, the Government of Lebanon has been effective in maintaining a flexible approach to the project and helped navigate through a variety of political economy factors.
### 4. Outcomes and Results

#### 4a. Results in Terms of Territorial Development Approach

The CHUD contributes to a balanced regional development of Lebanon. The five geographically-spread secondary cities are rather large and may hold a significant percentage of poor people (especially in the case of Tripoli).

At city level, the project financed important investments that created the conditions for increased local economic development and a better quality of life in the historic centers, which are often impoverished. Its socio-economic impact is, however, affected by exogenous factors that have prevented the development of foreign tourism.
4b. Outputs and Outcomes

Outputs:
- New and rehabilitated infrastructure in the five cities: more than 275,000 m² of public spaces, primarily ancient souks and squares, and 311,000 facades in the 5 cities, etc.
- Restoration of downgraded buildings (e.g. Citadel St Gilles and Khan Al Askar in Tripoli), sites (e.g. the Via Romana in Byblos), and monuments (Baalbek and Tyre archeological sites).
- Renovation of two market places (Tripoli and Tyre) as well as harbor and fishermen’s facilities in Tyre.
- Successful relocation of impoverished residents (Saida, Tripoli).
- Support to the establishment of an integrated system of laws and decrees to improve conservation and management of the heritage at the local level.

Outcomes:
- Significant social benefits in terms of livability (all indicators met or exceeded).
- Improved conditions for market sellers (in Tripoli, formal contracts with vendors were signed by the Mayor, securing their selling spaces and allowing the project to improve cohesion among communities while supporting small businesses) and fishermen (the latter in Tyre).
- Substantial economic benefits, including willingness to invest in all participating cities. Economic impact assessments carried out by the World Bank reported that the project has proved to be a smart investment. In the town of Byblos, for example, every US dollar invested through the project secured seven US dollars of private investment, all in locally-owned small and medium enterprises.
- Enhanced capacity at the municipal level.
- Solid evidence of community participation and enhanced social cohesion.
- Increased awareness of Lebanon’s cultural heritage within the population.

5. Lessons Learned and Follow-up

5a. Success Conditions

Related to project preparation:
- The right sizing of investments by:
  - Integrating both the potential of cultural heritage to attract visitors, as well as the opportunity for local people to improve their living.
  - Focusing on what is needed to make cities attractive for local communities and tourists, by carefully blending improvement of key basic services with promotion of local businesses that cater to local communities and tourists.
Focusing on the five selected sites helped build a denser network of higher quality tourist circuits, which helped to improve the resilience of the tourist sector to the threat of external shocks.

Related to project implementation:

- Sound application of safeguards which helped to mitigate social tensions (for instance for the construction of a large municipal marketplace in Tripoli) and allowed to deliver results in such a fragile context.
- The technical assistance provided by donors, to the CDR but also on-site, within the municipalities (only, in the case of AFD, for Tyre and Tripoli).
- The positive collaboration between donors whose coordination has allowed for a significant increase in the funding available to the project.
- The commitment of the Government and the CDR, which remained constant throughout the 13 years of project implementation.

The project was successful in establishing and following a comprehensive and coherent approach encompassing urban development, improvement of living conditions, local economic development, and cultural heritage preservation and management.

Previously, this approach had only been tested on a much smaller scale (e.g. in Fez, Morocco).

The project established a methodology that was then followed and adapted within and beyond the region, exemplifying the value of cultural heritage as a prime asset for sustainable development.

Project sustainability:

- Ensure sustainability through efficient maintenance and preservation mechanisms of the assets, in a context of depleted financial resources;
- Continue building the capacity of municipalities as initiated in the project (notably through the technical cells established in Tripoli and Tyre, under AFD financing);
- Sustain the communication efforts that were initiated in the latter stages of the project.

Project scope:

- Continue expanding the focus from tourism to other aspects of local economic development (as it was already the case with the markets and the fishermen facilities); plan and extend geographic coverage of similar interventions on the basis of the project achievements.
6. Quotes

“These dramatic times have not diminished the Lebanese perseverance and dedication to culture. We remain committed to conserving cultural heritage and the centrality of tourism in our socio-economic development.” (Nabil El-Jisr, President of the CDR)

“When this street (in Byblos) and its infrastructure were rehabilitated, it helped a lot. Most shops have changed their business, and the number of tourists has increased.” (Pierre Acra, Shop owner)
MOROCCO

ZENATA ECO-CITY

1. Basic Information and Technical Specificities

Presentation

Responding to the need to rationalize and channel economic growth on a territorial basis, taking into account economic, social, and environmental principles.

Stakeholders

Project owner: Caisse de Dépôt et de Gestion (CDG) Group (CDG Développement) through its subsidiary, Zenata Development Company (Société d’aménagement de Zenata, SAZ)

Other partners:
- Region of Greater Casablanca,
- Province of Mohammedia,
- Municipality of Casablanca,
- Urban Planning Agency of Casablanca,
- Moroccan Government including the Ministry of Interior, the Ministry of Finance, the Ministry of Transport, the Ministry of Housing and Line Ministries (Education, Health, etc.), Diyar Al Mansour.

Total Budget

21 billion Moroccan dirhams – MAD (roughly € 1.9 billion or USD 2.2 billion), including MAD 10 billion (0.8 billion €) for Phase 1.

Funding Source and Type

**PHASE 1**

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<td>European Investment Bank – EIB (Loan)</td>
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<tr>
<td>Agence Française de Développement – AFD (Loan and Grant)</td>
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<tr>
<td>European Union (Grant)</td>
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<td><strong>TOTAL</strong></td>
<td><strong>886</strong></td>
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</tr>
</tbody>
</table>
Target Area

1630 hectares (800 hectares for Phase 1)

### Beneficiaries

About 300,000 residents are expected in the long run (about 80,000 households) – 100,000 residents for Phase 1. The project should also benefit the surroundings through the economic activities and jobs created.

### Duration

Since 2006

### Contact

Mohamed Naciri, SAZ, Naciri@saz.ma

### Useful Links

http://www.zenataecocity.ma/
https://www.youtube.com/watch?v=8-lkJkm8mzg
https://www.afd.fr/fr/creation-de-la-premiere-ecocite-marocaine-zenata
2. Context and Initial Objective

2a. Context

Territorial development issue:
Morocco is experiencing sustained urbanization under the combined pressure of population growth and rural exodus. The urbanization rate should thus reach 68% in 2030 up from 60% in 2014. This situation generates major spatial and socio-economic imbalances (proliferation of slums and substandard housing, inadequate urban transport system, etc.), particularly in Greater Casablanca (3.7 million inhabitants and 18.8% of GDP) divided between a modern West, equipped and accessible area, and an industrial East, a landlocked and impoverished area. In addition, the country suffers from a significant deficit of housing, facilities, and services (shopping, leisure, education, health, etc.) for the middle class.

Policy responses, their rationale and effects:
In this context, an ambitious program to create several new cities has been launched including Tamesna (near Rabat), Chrafat (near Tetouan and Tangier) and Tamensourt (near Marrakech).

Main limitations of these responses:
The results of this program are nevertheless mixed insofar that they were not able to attract sufficiently the expected population and activities.

Opportunity:
Zenata is strategically located along the sea, on a land reserve of 1830 hectares composed of private and public land. It also enjoys good road and railway infrastructure, as it is located halfway between Rabat, the administrative capital, and Casablanca, the economic capital, and is part of the Master Plan (SDAU) of Casablanca (see map above).

The project was officially launched in 2006 and the Zenata Development Company (SAZ) was created as a subsidiary dedicated to the project of CDG Développement – a public institution which plays a key role in Morocco’s urban development.

2b. Main Objectives

This project also aims to:
- Build a new centrality that would rebalance Greater Casablanca, particularly through the creation of value and wealth, while ensuring social diversity.
- Help raise the economic capital and its region to the status of a major world metropolis.
- Develop a new and sustainable city model that can be exported to the African continent and maybe other emerging countries.
3. Actions and Challenges Faced

3a. Components and Implementation Steps

The environmental concept of the project was formalized by a development plan which puts into practice the three pillars contained of the eco-city reference framework:

- An eco-responsible city via:
  - The modeling of an aeraulic frame allowing a natural refreshment of the territory during the summer period,
  - The design of retention ponds for rainwater to regenerate the groundwater of the territory and contribute to the establishment of a naturally green landscape favoring the beautification of the city
  - 470 hectares dedicated to green spaces, i.e. 30% of the territory divided into central axes crossing from the urban highway (Casablanca-Rabat) towards the coast.

- A connected city to reduce car use through:
  - Collective mobility: the development of a multimodal station (train, tram, bus) and a Bus Rapid Transit network (BRT)
  - Soft mobility: a circuit of linear pedestrian and bicycle parks

- A city on a human scale via organizing each district around public squares offering the necessary local amenities.

The project includes the following components:

- Non-polluting and high value-added economic activities:
  - An education hub that will include a university campus for higher education and research oriented towards future professions in health, engineering and business.
  - A health hub organized around a private university hospital of more than 200 beds and a complementary offer made up of a paramedical training center, medical offices and accommodation facilities.
  - A commercial hub that is positioned as a real destination for trade and family recreation.
  - A logistics base (dry port) on nearly 200 hectares, serving the existing seaports and the region via a heavy haul road. Note that the acquisition of land for the dry port and its development is not the responsibility of SAZ but that of ANP (National Agency of Ports).

- Housing intended mainly for the so-called “emerging” class, i.e. households whose monthly income is between MAD 10,000 and 30,000. The housing built follows sustainable development principles and recommendations and should be provided an environmental certification that corresponds to middle class housing habits.

- The resettlement, on approximately 140 hectares in the eastern part of the new city, of nearly 45,000 inhabitants (more than 8,000 households), mainly slum dwellers on site, and 245 industries employing about 4,000 employees in an industrial area of about 70 hectares to accommodate industries located also in the territory.
3b. Challenges Faced

Institutional constraints:
• As the project owner, SAZ must deal with a large number of partners involved at the local, national and international levels and thus ensure coordination. For example, the State property directorate of the Ministries of Finance conducted the expropriation procedure instead of SAZ.
• The retrocession of the management of future infrastructure and facilities to the municipality of Ain El Harrouda, requires capacity building of this municipality.

Financial constraints:
• The overall balance of the project was difficult to make profitable because of (i) its character of its public interest status (resettlement of more than 8000 households, realization of the infrastructures and public facilities necessary for the project) and (ii) the long-term nature of an urban development project of more than 1,800 hectares, of which most of the costs (expropriation, land acquisition, resettlement, investment in infrastructure) are incurred at its launch.

Socio-political and socio-spatial constraints:
• The geography of the site, strongly marked by the presence of adjacent industries and which still does not have the characteristics, to become a residential area. Substantial investment (landscaping in particular) is required to create an attractive urban setting.

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

This project fits perfectly with the idea to support economic growth in leading regions, Zenata being located within the Casablanca metropolitan area and being well connected to the city center. It suggests that the creation of high value-added activities and an adequate housing supply for the middle class can be an effective way to rebalance a metropolitan area.

In addition, the social inclusion of people settled in the area before its development through a Resettlement Action Plan (RAP) is a necessity to minimize the negative social impact of such a project.
### Outputs and Outcomes

The expected results are:
- A city of 300,000 inhabitants (80,000 households) once completed.
- 100,000 jobs created (one for every three inhabitants), thanks especially to high value-added activity zones (commercial, industrial, logistics zones, integrated health center, and an international university campus);
- Achieving successful social and spatial diversity by attracting the emerging middle class and the *in situ* resettlement of the inhabitants;
- An urban concept that meets international standards for sustainable environmental development and understands the local context.

The project plans to span 30–40 years. In early 2018, project outputs are the following:
- The expropriation process is finalized.
- Connection of the first development zone (800 hectares) to the three networks: water, electricity, and sanitation was fully finalized in 2016.
- The First Development Zone (PZD) sanitation sewer was connected to the Lydec Eastern Pollution Interceptor and open in late 2012.
- A first section of 2,569 social housing units and 1,510 affordable housing units on 34 hectares, which is part of the national “cities without slums” program (also presented in this compendium) was inaugurated in 2013 and a first industrial zone of 70 hectares for the relocation of VSI and SMI that already existed on site has been delivered.
- The construction of the first residential area with an area of 70 hectares. This neighborhood is designed according to an innovative urbanism with a layout that favors the direction of the winds. It includes a central park of 7 hectares and a sports course with the necessary local amenities.

### Lessons Learned and Follow-up

#### Related to project preparation:
- Feedback from national and international experiences, so as not to repeat the past mistakes of new cities and other territories opened for urbanization.
- An innovative and sustainable urban strategy responding to regional and national challenges.
- An Eco-City Reference framework crystallizing the project’s ambition. It is a systemic, inclusive and evolving model for building a sustainable city. It is also an innovative and adaptable model for urban projects in Africa.
- Dedicated project ownership from SAZ, which relies on a team of qualified executives.
Related to project implementation:

• The contribution of the expertise of the donors (AFD and EIB) on sustainable cities which allowed to co-design a new way of thinking about the city while adapting to the realities of the country.

• Necessary funding for the operation provided by the EIB and AFD which complement that of CDG.

The eco-city reference framework, which was presented at COP22 in 2016, made it possible to collaborate with the international certification HEQ agency, Cerway, and develop an “Eco-City Label.” The Eco-Cité Zenata framework is based on a systemic, inclusive, and sustainable eco-design urbanism. This frame of reference draws heavily on international sustainable development standards and practices applied to national and continental issues, positioning it as an adaptable initiative for urban projects in similar contexts.

• Be more strategic in including the resettled population in the project development plan.

• Analyze and consider seriously the impact of the transition to urbanization, which is a source of pollution of all kinds (greenhouse gas emissions, noise pollution, increased traffic, etc.) and threatens coastal ecosystems.

6. Quotes

“Before, cities were not built in a systemic approach, they were developed one after the other (building roads, then activities). In Zenata we will be thinking about all these aspects at the same time.” (Mohamed Naciri, Business Development Officer SAZ)

“As long as the project makes it possible to maintain the social equilibrium and to promote social skills through job creation, it will strengthen the country.” (Eric Baulard, Director of AFD Morocco Agency)
CHAPTER 4
ACCESS TO SERVICES AND MOBILITY
Improving citizens’ mobility and access to services (such as water and sanitation) are basic tools to improve living conditions within the given territory. Such tools can contribute to a development that improves the life of most citizens. The following four case studies are all implemented within large urban areas. Two approaches are presented:

• One approach is that of integrated fare and ticketing in Istanbul, Turkey, which was a way to improve mobility for all citizens, especially the vulnerable ones;

• Another approach is that of infrastructure projects: (i) the Tramway of Rabat-Salé in Morocco, (ii) the Metro network of Cairo, Egypt which aim to improve mobility for all citizens and (iii) the Indh-Inmae project which specifically targets poor households to connect them to water and sanitation services in Casablanca, Morocco.

Overall, the initiatives that have the most significant immediate results in terms of integration have been the initiatives aimed at strengthening access to services for the most disadvantaged populations, improving urban mobility by connecting areas that are socially heterogeneous, and facilitating mobility between disadvantaged territories and centers of activities.
1. Basic Information and Technical Specificities

Presentation

Facilitating mobility within the Istanbul metropolitan area by providing access to most modes (including rail, public bus, sea transport, and parking services) through fare and ticket integration.

---

**Stakeholders**

**Project owner:** Istanbul Metropolitan Municipality (IMM)

**Operator:** BELBIM AŞ

**Other partners:** Istanbul Electric Tramway and Tunnel (IETT), ISPARK

**Total Budget**

NA

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**Funding Source and Type**

Funding fully provided by the Istanbul Metropolitan Municipality (no foreign funding)
Target Area

Istanbul metropolitan area

THE EVOLVING URBAN FORM
ISTANBUL
1950-2010

Istanbul, a rapidly sprawling city (http://www.newgeography.com/)

Beneficiaries

Users of the transport system in Istanbul (including residents of the Istanbul metropolitan area representing about 14 million inhabitants)

Duration

Service launched in 2009

Contact

Randa Al Sabbagh, UCLG-MEWA, r.alsabbagh@uclg-mewa.org

Useful Links

Istanbulkart: https://www.istanbulkart.istanbul/
2. Context and Initial Objective

2a. Context

Territorial development issue:
Istanbul, like other metropolises of emerging economies, is under the pressure of a high urbanization rate, with 50% of the population living in sprawling districts of unplanned housing.

Policy responses, their rationale and effects:
In order to keep pace with the rapid growth of the urban structure, a significant development of Istanbul’s public transport system was undertaken over the past decades, both in terms of capacity and technology. A variety of rail transportation means were introduced or expanded (light railway, tram, suburban railway, metro) together with buses and minibuses – including the “dolmus” (or shared taxis) which operated along certain route – still representing the bulk of collective transport.

Main limitations of these responses:
While collective transport was, and remains, in the leading position (it represented 58% of motorized trips in 2005) it was facing in the 2000s a loss of attractiveness. Following a trend similar to other cities of the region, the share of collective transit trips for urban transport had declined while the proportion of private vehicle trips had increased.

Opportunity:
In order to increase the attractiveness of public transport and stop—or at least slow—the shift to private vehicles, the Istanbul Metropolitan Municipality (IMM) introduced, through its operator BELBIM Elektronik Para ve Ödeme Hizmetleri AŞ, in 1995 an electronic ticketing system (Akbil) that allows for discounted transfers within the public transport network (buses, ferries, and rail transit system). Since 2003, integrated ticketing was effective with a single ticket purchased through Akbil being valid for a complete journey using public transport. Starting 2009, a contactless smart card called Istanbulkart was introduced, and gradually replaced Akbil (discontinued in 2014) which was a contact-based technology.

2b. Main Objectives

The initial objective of Istanbulkart was to facilitate the use of the Istanbul public transport system, make it more socially accessible, and increase its attractiveness.
Istanbulkart was designed as a model city card which holds various features that have been progressively introduced:

- **Component 1 – Transportation features**: Istanbulkart make passengers easily pay for their trips in the majority of public transport modes in Istanbul, including 6,000 buses, 81 metro stations, 43 Metrobüs stations, 66 piers, three cable car stations, and 52 tram stations. There are five different types, one standard and four special:
  - **Standard card**: it may be used by city commuters for full fare payment and it is anonymous.
  - **Blue card**: it is a seasonal card and offers discounts based on a monthly subscription.
  - **Discounted card**: it is issued for citizens entitled to discounted fares, such as students (for which Istanbulkart may be integrated as a “university card”), teachers, and people over 60 years old.
  - **Free card**: it is available to citizens entitled to free transport, such as passengers with a 40% disability or greater as well as their companion and Government employees on duty since 2006.
  - **Limited use card**: it may be purchased for a limited number of trips (one, two, three or five) and is anonymous.

- **Component 2 – Electronic money card features**: In a vision to leverage on smart card technologies for mobility and beyond, BELBIM obtained the “Electronic Money Institution License” in 2015. New features introduced include the possibility to pay for:
  - Around 378 **parking facilities** managed by ISPARK,
  - **Taxis** registered in the system,
  - **Kiosks, supermarkets, and restaurants**.

**Socio-political and socio-spatial constraints:**

- The **change resistance** in the transition process caused by the people’s use habits of public transportation.

**Technical constraints:**

- The necessity of **supporting both Akbil and Istanbulkart** technology within the transition period and the necessity of **replacing** existing field devices with devices that can support both technologies.

- The necessity of **hardware and software investments** for the transition period and implementation.
4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

Integrated fare and ticketing is an important aspect of an integrated transportation system to increase the mobility of residents and their access to services, especially for users with special needs. Outside Turkey, Istanbulkart is an exception in the Mediterranean region, as most transportation systems in Mediterranean cities – with the exception of Algiers – offer neither fare integration nor single ticketing.

4b. Outputs and Outcomes

Istanbulkart has received the 2016 Best Smart Card Ticketing Service Award in the Transport Ticketing Global Awards. The card’s integration capabilities and its extraordinary penetration were highly commended by the judges.

In 2016 alone, more than 18 million Istanbulkarts were used, while less than 20,000 complaints were received—fewer than in 2015. This reduction in customer complaints, coupled with the increasing use of Istanbulkarts, signifies positive changes in the overall performance of the Istanbulkart programme.

5. Lessons Learned and Follow-up

5a. Success Conditions

- The ease of use of Istanbulkart for quick and secure payment and top-up, thanks to contact-less technology.
- The affordability of Istanbulkart with four different special cards.
- The leading role played by the Istanbul Metropolitan Municipality, together with BELBIM in initiating and implementing this project.
- The system architecture of Istanbulkart which:
  - Allows implementation of multi-applications through its large memory;
  - Serves personalized travel experiences through its unique serial number;
  - Contributes to the planning of the city through the data obtained.
5b. Innovative Aspects

- The **contact-less technology** which allow for easy payment (i.e. a passenger may carry the card in a wallet or purse and use it without removing it).

- **Electronic money card features** that have been recently introduced.

5c. Recommendations and Scaling-Up

- **Expanding its use to other transportation means.** BELBIM is currently working on the expansion of Istanbulkart to the minibuses and dolmus (shared taxis) to enhance seamless transfers to/from other public transport modes.

- **Facilitating access to and use of Istanbulkart.** By 2019, the number of Biletmatik machines will double, reaching 1,200, with that number expected to triple by 2023. In addition, the network of private vendors offering services related to Istanbulkart will increase from 1,800 to 3,200.

6. Quotes

“Our Istanbulkart transport card, in addition to facilitating travel via public transport, provides valuable support to planning through the data obtained from its extensive use. We are currently working to make Istanbulkart valid on more transport systems as well as in non-transport applications.” *(Dr. Kadir Topbas, Mayor of Istanbul)*
MOROCCO

RABAT-SALÉ TRAMWAY

1. Basic Information and Technical Specificities

Presentation

Connecting the two banks of the Bouregreg Valley to improve mobility and accessibility within the Rabat-Salé urban agglomeration.

Stakeholders


Operator: Transdev Rabat-Salé

Technical assistance: Grand Lyon

Other partners: Local authorities (Etablissement de coopération intercommunal Al Assima, municipalities of Rabat and Salé, Préfecture of Rabat, Préfecture of Salé) and the national government.

Total Budget

Phase 1: 3.7 billion Moroccan dirhams (€ 335 million, approximately USD 420 million)

Phase 2: 1.7 billion Moroccan dirhams (€ 150 million, approximately USD 185 million)

Funding Source and Type

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PHASE 2

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<tr>
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Target Area

Rabat-Salé urban agglomeration

<table>
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<th>Amount (€ million)</th>
<th>Amount (MAD million)</th>
<th>%</th>
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</tr>
<tr>
<td>TOTAL</td>
<td>150</td>
<td>1700</td>
<td>100</td>
</tr>
</tbody>
</table>

Beneficiaries

110,000 people (daily users)
About 2 million inhabitants of Rabat-Salé (potential users of the tramway)

Duration

Phase 1: 2007-2011
Phase 2: 2017-2019

Useful Links

http://www.bouregreg.com/tramway-de-rabat-sale/
https://www.afd.fr/fr/tramway-de-rabat-sale
http://www.eib.org/projects/pipelines/pipeline/20080167

Contact

Loubna Boutaleb,
STRS, l.boutaleb@strs.ma
2. Context and Initial Objective

2a. Context

Territorial development issue:
Rabat-Salé is the second largest urban area of Morocco after Casablanca. Throughout the past century, the cities of Rabat and Salé have grown at a fast pace with social housing and residential neighborhoods being built at the fringes of the two cities.

The urban area is characterized by a structural imbalance: Rabat concentrates the economic activities while Salé – located on the other side of the Bouregreg River – has limited access to them.

Policy responses, their rationale, and effects:
The two cities were connected by the Moulay-Hassan Bridge, whose capacity hardly allows the passage of 650,000 people every day.

Main limitations of these responses:
Already suffering from acute traffic jams at peak hours, in the upcoming decades, the urban agglomeration expected an increase of private car use brought on by a dynamic economic growth combined with a lack of efficiency and attractiveness in local public transport.

Opportunity:
Within this context, the construction of two tramway lines appeared as a relevant option to meet the growing needs of the population in terms of mobility, especially between the two banks of the Bouregreg River. A feasibility study was realized in 2003, in continuity with former studies dating from 1976 (by Transroute, introducing the idea of an exclusive right-of-way mass transit line) and 1982 (by Sofretude).

2b. Main Objectives

With the aim of protecting Rabat and Salé from an uncontrolled extension of car traffic, the project was expected to:

• Create a reliable, fast, and accessible mobility service and ensuring a better modal distribution between individual and collective modes of transportation.

• Protect the centers of both cities from noise and air pollution.

• Participate in the urban renewal of Rabat and Salé.

• Build a reputation of modernity and respect for the environment for the Kingdom’s capital city.
3. Actions and Challenges Faced

3a. Components and Implementation Steps

The project implementation included the following steps:

• After the conduction of preliminary studies in 2005 and 2006, **AAVB was chosen as project owner**.

  - A contract program was signed between AAVB and the national government of Morocco.
  - A subsidiary of AAVB, the **Société du Tramway de Rabat-Salé (STRS)** was created by decree in 2009 to hold the project implementation and operation in continuity of the actions of AAVB.

• By the end of 2007, the **construction was launched**, and a 3-year technical assistance cooperation was contracted in 2010 with the Grand Lyon (Metropolitan government of the city of Lyon), to provide the project with management assistance in connection with the construction of the Rabat-Salé Tramway and to participate in modernizing the city’s public transport system.

• In **May 2011**, the first two lines of the tram were inaugurated, along with the new Hassan II Bridge, by King Mohammed VI. Two **park-and-ride facilities** were opened by the STRS later in 2014 at both ends of tram Line 1, with a total of 134 spots in Al Irfane, Rabat, and 194 spots in Hay Karima, Salé.

• The **construction of further extensions on both ends of the Line 2** was launched in October 2017 and are expected to be completed in July 2019. The Rabat-Salé transportation master plan also includes the construction of two other lines for the tram network, not yet scheduled.

3b. Challenges Faced

As the first tramway ever built in Morocco, the project was confronted with many challenges, including:

**Technical constraints:**

• It was necessary to limit as much as possible the impact of the project on public land and to integrate the tram into the existing road traffic regulations;

• In order to preserve the urban agglomeration’s green space, the STRS was tasked to transplant any trees that had to be removed for the route. The creation of new green spaces in dense city centers was not easy. Thus, some projects to transform areas formerly occupied by cars into green spaces have succeeded (e.g. Joulane Square), while others have not (Avenue de France in the Agdal quarter).
This project contributes to reduce socio-spatial inequalities by facilitating mobility within the Rabat-Salé urban agglomeration while it supports the economic growth of Morocco’s capital. Impact is highlighted by the following indicators:

- The majority of users (68%) are residents of Salé, which is not surprising, given the important mobility needs of its population to access Rabat’s centers of activity.

- More than 70% of users declare using the tram not as an alternative to car, revealing that the tram actually stands as a real mobility solution for people who did not have any other option before. In fact, students represent 50% of the users.

**Outputs:**

- The new tram lines now connect major hubs of the urban area (train stations, universities, hospitals, ministries, schools, etc.), as well as densely populated neighborhoods and old districts (medinas) of both cities.

- 400 jobs were created by Transdev Rabat Salé (the operator of the tram), including 74 drivers and 155 ticket inspectors. Today, the new tram is an essential means of transportation of the urban area, with 197 million users since its inauguration (as of December 31, 2017). Additionally, it resulted in a reduction in GHG emissions estimated around 10,000 tons per year.

- A very affordable price list, which has been maintained since September 2011: the unit ticket costs just MAD 6, with pass subscribers paying MAD 3 per trip, and students of public schools and universities paying just MAD 2.
5. Lessons Learned and Follow-up

5a. Success Conditions

Regarding project preparation:
- The **knowledge of the characteristics of urban mobility** within the territory, which helped to identify the most judicious route.

Regarding project implementation:
- Clear and efficient **operational arrangements** with the responsibility of urban transport transferred from municipalities to a dedicated entity, AAVB (and its subsidiary, the STRS) which is not subject to the political instability created by elections;
- The **assignment of a dedicated team to the project**;
- A **cost-efficient target** by limiting modifications, which bring additional costs;
- Secured **funding** from various donors;
- The **partnership with an urban agglomeration of the same size** (Grand Lyon) with convincing results in the field of transport.

5b. Innovative Aspects

- A **good monitoring of the network** in order to provide accurate information (including waiting times) to users;
- The **creation of two ticket payment systems in each station** (automatic vending machine and kiosks), which makes it possible to streamline ticket sales during peak hours;
- The **implementation of an innovative ticket control system**, with a controller in each train, to maintain the fraud rate to less than 2%.

Outcomes:
- The significant reduction in travel times. For instance, the route of Line 1 has decreased from 2 hours by car to 35 minutes by tram.
- Urban upgrading and regeneration is occurring in neighborhoods where the tramway passes through, particularly in Salé.
• An extension of tramway Line 2 (ongoing) was necessary: after several months of operation, it has indeed been noted Line 2 is not as successful as Line 1. This is due in particular to its remoteness from densely populated neighborhoods.

• A better exploitation of intersections managed by traffic lights. Indeed, tramway intersections are well regulated, but car traffic control lacks efficiency, creating points of congestion which could be optimized.

• A better anticipation of the success of the tram, and in particular of Line 1, would have made it possible to increase the number of trains, thus improving the experience during rush hour.

• The integration of the bus (today managed separately and functioning poorly) and tram networks, regarding intermodality and ticketing. Discussion between the bus company and the tramway company regarding pricing integration have been blocked since 2014.

6. Quotes

“The public transit project will address many of the issues facing city residents, especially students.” (Nourreddine Tikito, Coordinator of the Advisory Committees of Salé)

“People will leave their car and take the tram to work. The places through which the tram passes are well developed; it goes through green spaces.” (Young women, resident of the Rabat-Salé urban agglomeration)

“The tramway is good for the environment as there is no pollution with it.” (Old man, resident of the Rabat-Salé urban agglomeration)
EGYPT

CAIRO METRO LINE 3

1. Basic Information and Technical Specificities

Presentation

Enhancing mobility and access to jobs and social services within the Cairo metropolitan area, particularly among the socially disadvantaged population.

Stakeholders

- **Project owner:** National Authority for Tunnels (NAT), on behalf of the Ministry of Transport
- **Operator:** Egyptian Company for Metro Management and Operation (ECM), on behalf of the Ministry of Transport
- **Other partners:** Mainly the Giza and Cairo Governorates, Ministry of Interior (Traffic Department) and Ministry of Housing, Utilities and Urban Communities (and related agencies)

Total Budget

- About €5 billion
- (USD 6.2 billion)

Funding Source and Type

Total foreign funding represents about 1/3 of the total cost of the project. Metro Line 3 is funded with French (French Development Agency and Ministry of Finance) and European support (European Investment Bank and European Union for phase 3 only). Phase 3 funding – the costliest one – is broken down as follows:
Metro Line 3 – Phase 3 Funding

<table>
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<th>Source</th>
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<td>European Investment Bank – EIB (Loan)</td>
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<td>French Development Agency – AFD (Loan)</td>
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<td><strong>TOTAL</strong></td>
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Target Area

Greater Cairo region (Giza and Cairo Governorates)

Beneficiaries

Greater Cairo population (18 million inhabitants). Once completed, Line 3 is expected to serve 1.6 million passengers daily.

Duration

2006-2024 (expected)

Phases 1 and 2 are already operational. Phases 3 and 4 are under construction.

Contact

cairo@eib.org

Useful Links

NAT: http://www.nat.org.eg/english/Line3.html
EIB: http://www.eib.org/projects/pipelines/pipeline/20100613
AFD: https://www.afd.fr/fr/soutenir-lextension-du-reseau-de-metro-du-caire
https://www.youtube.com/watch?v=CvnFZUGcJzg
2. Context and Initial Objective

2a. Context

Territorial development issue:
The Greater Cairo Region (GCR) is the largest metropolitan area in Africa and the Arab World with a population estimated at 18 million inhabitants today. It is one of the densest cities in the world with about 300 persons per built-up hectare on average. It is also a very congested city due to the increasing and deregulated use of the car as well as an insufficient provision of mass-transit public transport.

Policy responses, their rationale, and effects:
As early as the 1970s, several transport studies presented the Metro (as this mass-transit system is called in Egypt) as a solution to cope with Egypt’s capital increasing mobility needs. Through a bilateral Franco-Egyptian cooperation, two lines were completed, respectively in 1987 – making Cairo the first city in Africa to have a metro system, and still the only one besides Algiers – and 1996.

Main limitations of these responses:
The Metro was a real success in terms of attendance level, and the two lines were almost saturated upon startup with respectively 2.5 million and 1.7 million passengers per day in 1998, thereby accounting for 17% of all transportation. As early as 1973, the Greater Cairo Transport Planning Study mentioned the need to build a third subway line in Cairo.

In addition, with only 66 km, the Cairo Metro network was limited compared to cities with similar dimensions such as Paris (211 km), Seoul (278 km), Tokyo (281 km), Moscow (340 km), New York (371 km) and London (415 km).

2b. Main Objectives

The objective of Line 3 is to reduce traffic congestion and facilitate mobility within the GCR and its city core in particular.
3. Actions and Challenges Faced

3a. Components and Implementation Steps

- Similar to Line 1 and Line 2, the Metro Line 3 project takes place with important international (and especially French) technical assistance to the NAT, the project owner. Preliminary and detailed design studies were conducted by a French consulting firm in cooperation with Egyptian partners. In addition, work supervision was performed by a consortium gathering French and Egyptian companies, in parallel with project management support provided by an American company.

- The construction of Metro Line 3 (47.8km in total for 39 stations) was divided into 4 phases (see illustration above). Most packages of works (civil, electromechanical and railway) were awarded to consortiums which brought together French and Egyptian contractors. The cut-and-cover method is used to build the stations while the digging uses earth pressure and slurry shield Tunnel Boring Machines (TBMs).

  - **Phase 1** covers the central section. It included the construction of a tunnel 4.3 km long, five underground stations and a repository for rolling stock. Construction of phase 1 began in 2007 and was inaugurated in 2012.

  - **Phase 2** extends the line eastwards from Abbasiya to Al Ahram (Heliopolis). It comprises 7.2 km of railway track, including 4 km of underground tunnel. The line connects five stations. Construction started in 2009 and was completed in 2014.

  - **Phase 3** extends the line westwards from Nasser to Kit Kat station, before splitting into two branches with one heading towards Imbaba and the Rod El Farag multimodal station, and the other toward Cairo University and Boulak Al Dakrour. This phase comprising 17.7 km of railway track and 15 stations was started in 2017 (with a five-year delay) and is due to be completed by the end of 2023.

  - **Phase 4** extends the line eastwards further to phase 2, splitting into two branches—one completing its path at the Cairo International Airport, and the other running further northeast through Heliopolis and Ain Shams districts up to Adly Mansour multimodal station. As for now, only the northern branch of phase 4, comprising 11.5 km of railway track and 10 stations (out of 18.2 km and 15 stations in total) is under construction.
Institutional constraints:

• **The project owner, NAT, has limited capacity** as it is involved in all mass-transit projects of Egypt (including the rehabilitation of Alexandria tramway). Several technical assistance contracts were signed in order to support it for Line 3 construction and operation and for necessary tasks such as bringing tenders up to international standards.

• **The lack of coordination between public entities** and most agencies of the Ministry of Housing, as well as Governorates which prevented any integration of the metro stations into the existing urban fabric. However, this improved over time as, for instance, a shopping mall will be built over the Boulak El Dakrour Metro station.

Financial constraints:

• The high cost of such a large-scale infrastructure led the authorities to modify the route of phases 3 and 4 of Line 3 determined by the 1999 pre-feasibility study. It was decided that the Northern and Southern branches of phase 3, originally planned to be underground, would be constructed on ground or above ground (on a viaduct). As for phase 4, it was decided to split it into two branches in order to avoid the construction of a long and empty section from Adly Mansour station to the airport.

Socio-political and socio-spatial constraints:

• **The Resettlement Action Plan (RAP) requested by foreign donors (EIB and AFD) for phase 3**, and which concerns about 1382 affected people, took some time to be completed and accepted by all parties due to the gap between Egyptian and lenders’ standards. In addition, the implementation of the RAP has proven to be difficult as affected people and governorates sometimes had to renegotiate the offered compensation and resettlement locations.

• **Inhabitants of the affluent district of Zamalek** expressed their concern that the Metro line would worsen living conditions and specifically damage the buildings’ foundations. This risk is mitigated by the extensive dilapidation surveys that are being conducted, measuring the condition of all houses around the alignment and taking measures to strengthen buildings or amend the construction method if necessary.

• **Safety challenges** created by the 2011 revolution, and as a result of which many international companies were reluctant to work in Egypt. Most companies who were awarded the contracts were had already worked on the previous phases. Nevertheless, it is worth mentioning that, in 2011, construction works stopped only a few weeks during February and March, before resuming with increased on-site security.
Technical constraints:
• Digging under the Nile and in the old city is complex. With just 1 km left before the end of phase 1, a major collapse occurred in September 2009 causing several cars to fall into the pit. Fortunately, no injuries and no structural damage to buildings in the area were reported.

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

Metro Line 3 is expected to provide important benefits that would reduce socio-spatial disparities while supporting economic growth.

• **Economic benefits** through reduced travelling time as well as the creation of direct and indirect jobs. Phase 3 generated approximately 12,000 jobs during the construction period, and 1,500 jobs during operation. The estimated socioeconomic profitability of the entire Line 3 is estimated at 17%.

• **Social benefits** by improving poor households—such as the ones living in the dense and popular neighborhoods of Imbaba and Boulak El Darkrour—access to basic services (hospitals, etc.) and to the city center, as well as considering the low price of the transport ticket which makes it very affordable, even for the lower strata of the population. Inhabitants living in affluent districts such as Zamalek and Mohandessin should also benefit from it.

4b. Outputs and Outcomes

• Once completed, Line 3 will have a total of 39 stations, 30 of which will be underground. The line capacity of the Line 3 will be around 42,000 pphpd (passengers per hour per direction) after completion of the full line.

• In addition to economic and social benefits (see above), Metro Line 3 is expected to provide **environmental benefits** by reducing air pollution as well as greenhouse gas emissions (120,000 CO₂ tons/year).

5. Lessons Learned and Follow-up

5a. Success Conditions

• **Continuous political support** so that whatever government is in place, Line 3 is considered a key project for Cairo and Egypt’s future.

• **Clear operational arrangements** with NAT as the dedicated entity for mass-transit projects in Egypt.

• **Strong technical and financial support** from international donors and companies that have supported the Cairo Metro implementation for over 30 years.
5b. Innovative Aspects

- Tunnel excavation involved a technical innovation: it was driven with an earth-pressure-balance TBM that can be converted into a slurry machine.
- The introduction of construction techniques new to Egypt with the use of prefabricated concrete monopiles for the viaduct in order to shorten delivery times and minimize the disruption of road traffic during construction.
- The introduction of international standards through the support provided by EIB for the resettlement procedure, as well as procurement.

5c. Recommendations and Scaling-Up

- Improved transport governance could allow an integrated fare policy, which would encourage greater use of the Metro and reduce traffic flows and congestion on the city road network.
- A better urban integration of the Metro stations – which is not the mandate of NAT – in order to regulate the different means of transportation (formal buses and informal microbuses, tuk-tuks and shared taxis) at their entrance and to reduce congestion phenomena which considerably hamper the efficiency and attractiveness of the metro. The installation of car parks near the stations would be an effective way to make their departure and arrival more fluid.

6. Quotes

“The Metro is a social project, the people who take the Metro in Egypt are those who have the most limited income. In addition, as Cairo is also one of the most polluted cities in the world, providing a clean mode of transportation that runs on electricity, not fuel, also means improving air quality for people.” (Jean-Pierre Marcelli, former director of AFD Egypt Agency)

“If we have a sick child it takes us about two hours to reach the hospital due to the traffic congestion. The child might die of fever because of that. But if we have a Metro it will take us about 25 minutes, maximum.” (Mid-aged women from Imbaba district)
1. Basic Information and Technical Specificities

Presentation

Developing ad hoc technical and financial solutions to connect lower-income households of Greater Casablanca to water, sanitation, and electricity networks.

Workers digging a trench for a water pipe (Lydec, 2016)

Stakeholders

**Project owner:** Region of Casablanca-Settat and the 18 municipalities that make up Greater Casablanca (including the Municipality of Casablanca, which includes 16 districts)

**Implementing partner and operator:** Lyonnaise des Eaux de Casablanca (Lydec) – Drinking water, sanitation, electricity and street lighting service distributor for Greater Casablanca.

**Other partners:**
- Office National de l’Électricité et de l’Eau Potable (ONÉE): carrying out off-site works (drinking water)
- Holding d’Aménagement Al Omrane (HAO): part of off-site networks and works (sanitation)

Total Budget

**As at December 31, 2017:** 1,942 billion dirhams (USD 210 million)
Funding Source and Type

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<td>Financing requirement</td>
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</table>

Target Area

Greater Casablanca region:
- Nouaceur province: 48,186 households – 52%
- Casablanca prefecture: 24,465 households – 27%
- Médioouna province: 14,526 households – 16%
- Mohammedia province: 2,309 households – 2.5%
- El Mansouria municipality: 2,361 households – 2.5%

Agence Urbaine de Casablanca (www.auc.ma)
2. Context and Initial Objective

2a. Context

Territorial development issue:
Casablanca accounts for 50% of unsanitary housing in Morocco, which often does not benefit from a connection to basic services, including home water and sanitation. 20% of Casablanca residents live in precarious housing.

Opportunity:
On May 18, 2005, in a speech to the nation, King Mohammed VI launched the National Initiative for Human Development (INDH), calling for the fight against poverty and social exclusion. Responding to this call, Lydec set up the INDH-Inmae project (Inmae meaning “development” in Arabic) formalized by the signature on September 13, 2005, of a “Framework Agreement for water supply and liquid sanitation in the framework of INDH” with the Region of Greater Casablanca and the Interior Ministry. The agreement defines the principles of implementation and financing for getting homes of targeted populations connected to water and sanitation services.

In November 2005, Lydec created the Inmae department with the mission of setting up (i) a dedicated team, (ii) technical and financial solutions and (iii) a social engineering adapted to the project’s objectives.
2b. Main Objectives

The objective of the project is to provide home access to basic services (water, sanitation, electricity) in substandard housing areas. These are built-up neighborhoods, built informally but distinct from slums, which are the subject of a different public strategy through their resettlement (land grant) or through rehousing programs in the framework of the “Cities Without Slums” program.

The project recognizes these neighborhoods and aims to eventually lead to their integration into the urban regulatory space.

3. Actions and Challenges Faced

3a. Components and Implementation Steps

The project is organized into two main components:

• **Component 1:** Connection to water, sanitation, and electricity

  For each operation, the main steps are the following:

  ◦ **Signing of financing agreements.** These specify the involvement of local and foreign donors, for example:
    - The agreement signed in 2011 between the Urban Municipality of Casablanca, Lydec and AIMF concerning the “North Lahraouyine” operation,
    - The restructuring agreement for 71 under-equipped neighborhoods signed in 2014 by the Region, the Interior Ministry, Al Omrane and Lydec to relaunch the restructuring and access to services programs, including INDH-Inmae.

  ◦ **Identification and approval of a list of beneficiaries** by a local commission comprising representatives of the local authorities (province or prefecture and municipality or district) and the Customer Support Department (DAC) of Lydec.

  ◦ **Payment of a lump sum** of 2,000 dirhams including tax (representing 10% of total cost) per beneficiary home and per service, with facilities of 4-7 years.

  ◦ **Unlocking of land constraints,** particularly with the settlement of land disputes for the release of road rights-of-way, and the provision of land for works, at the expense of the municipality or district.

  ◦ **Implementation of studies and connection works** by Lydec both on-site and sometimes offsite (in connection with operator Al Omrane and / or ONEE).
3b. Challenges Faced

**Technical constraints:**
- Project implementation is complex in that it involves a large number of scattered areas, often remote from primary networks, resulting in a high cost of work and often long negotiation procedures with owners for the installation of networks.

**Institutional constraints:**
- The project involves a large number of stakeholders (Al Omrane and ONEE for some off-site works, Lydec for on-site works and some off-site works, many financers including the FSH, the Region, the municipalities). Divergent views or blockages affecting project governance may occur, often related to increasing costs with the densification of the areas of intervention, the delayed payment of some subsidies or even the partial withdrawal of some financers.

**Socio-political and socio-spatial constraints:**
- Many beneficiaries are “without status”: they cannot prove their status as a tenant or owner in the absence of administrative papers, making it difficult to carry out the works.

**Financial constraints:**
- Due to the reluctance of some financers, the municipalities have taken the initiative to increase their financial participation in the operation (via the Lydec works fund they control), and Lydec to spread over time the implementation of the program and mobilize other funding sources from foreign and local donors.

4. Outcomes and Results

4a. Results in Terms of Territorial Development Approach

Access to water, sanitation, and electricity is a key step in the process of recognizing precarious neighborhoods and in the social and urban integration of these neighborhoods and their inhabitants.
### Outputs:
As of December 31, 2017, approximately 50% of beneficiaries (45,517) were actually connected to the services and 877 million dirhams had already been committed (45% of the total).

### Outcomes:
Access to drinking water and home sanitation has had significant results on:
- improving the living comfort of households and the feeling of well-being and recognition through the sanitary equipment of dwellings,
- improving hygiene, cleanliness and sanitation conditions (increase in the quantity of water available, improvement of its quality, especially for those who supplied themselves by means of wells, etc.),
- the feeling of improved health (decrease of gastric diseases and diarrhea cases, particularly among children, reduction of health expenses, etc.),
- time savings due to the elimination of fetching water, which in particular allows women to widen the scope of daily activities and social life (literacy classes, manual activities at home, etc.), and
- the increase in property and rental values.

The near-zero level of terminations and the high recovery rate of water and sanitation bills are indicators of the relevance and effectiveness of the project.

### 5a. Success Conditions

- **The social support provided by the Customer Support Department of Lydec was decisive.** It has helped create a relationship of trust with beneficiaries and local associations, to anticipate blocking factors and to intervene in negotiations or in certain disputes with landowners for the installation of networks.

- **The cooperation between project owner and Lydec has been a key component** to implement the project.

- **Special technical expertise had to be developed** to bring the networks (particularly water and sanitation) through narrow streets and into housing built outside the usual norms of urban planning and construction.

- **The financial support of local** (through its integration within INDH) and foreign (AIMF, World Bank) **donors has been crucial** to give the project the scale it has had and ensure its implementation without too much delay.
5b. Innovative Aspects

Considering the social emergency of household connection, in response to the demand of local authorities, households without status were offered a precariously and revocable subscription contract, allowing them to access services. Nevertheless, this contract does not constitute a proof of occupation of the premises and the provision of services can in principle be interrupted at any time, at the request of the authorities.

5c. Recommendations and Scaling-Up

- A more efficient financial engineering scheme based on local loans backed by active local taxation would relieve the state budget while limiting dependence on limited international funding.
- The connection to water and sanitation would benefit from being part of a broader urban integration approach including the setting up of social-collective facilities, street lighting, shops and private services, green spaces, road maintenance and waste collection, thus ensuring a real progressive catching-up of neighborhoods that are lagging.

6. Quotes

“This is a culmination of Lydec, through this INDH-Inmae program: ensuring that Lydec is the same for everyone.” (Jean-Pascal Darriet, CEO of Lydec)

“Without the coordinated commitment of all stakeholders (municipalities, authorities, state funds, Lydec), the implementation of this project would not have been possible.” (Bouchaid Taha, President of the municipality of Bouskoura)

“The times we had to queue for water are over!” (Hakima Gouram, a resident)