

Conference

Urban
development strategies
in the Mediterranean

Barcelona, March 14 and 15
2011

Urban Development Strategies in the Mediterranean

Context, Issues and Outlook

ACRONYMS

ADB	Asian Development Bank
AECID	Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development Cooperation)
AFD	French Development Agency
AUDI	Arab Urban Development Institute
CA	Cities Alliance
CDS	City Development Strategy
CIDA	Canadian International Development Agency
CIDEU	Centro Iberoamericano de Desarrollo Estratégico Urbano (Ibero-American Center for Strategic Urban Development)
DGLA	Directorate General of Local Authorities
DH	Dirham
ECOLOG	Program for Stimulating Local Economies in West Africa
EIB	European Investment Bank
FCP	Facts, Challenges and Projects
FNVT	Fédération Nationale des Villes Tunisiennes (National Federation of Tunisian Cities)
FUM	Forum Urbain Maroc (Morocco Urban Forum)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (Acronym for the group that brings together several German agencies for technical cooperation since January 2011)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
LDP	Local Development Plan
LRED	Local and Regional Economic Development
MedCities	Network of Mediterranean coastal cities created in Barcelona in 1991
OECD	Organization for Economic Cooperation and Development
PMD	Partnership for Municipal Development
PSP	Participatory Strategic Planning
RTI	Research Triangle Institute
SEMC	Southern and Eastern Mediterranean Countries
SUDS	Sustainable Urban Development Strategy
UDS	Urban Development Strategy
UMP	Urban Management Program
UNDP	United Nations Development Program
UN-Habitat	United Nations Human Settlements Program
WB	World Bank

The Future is Urban

In 2008, for the first time in history, the number of people living in cities reached more than half of the world's population, and this trend will only continue with almost five billion people living in cities by the year 2030. Around the Mediterranean, the urban challenge is particularly critical since its cities face steady urban growth and will give shelter to 75% of the local population, or 240 million people, by 2020. The issue is no longer how to stop this increasing urbanization trend but how to better organize it in order to cities to benefit from economic growth. For years, unplanned city development has led to the development of metropolises, or even megalopolises that lacked basic services and public transport, expansion of informal settlements, and increasing vulnerability to climate change. The multiplication of the urban development plans initiated by a variety of stakeholders did not succeed in overcoming efficiency, financing, and governance weaknesses.

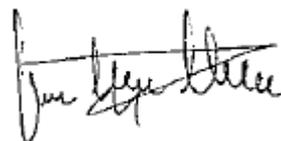
Even though Urban Development Strategies implemented in some cities have achieved unequal results, it nevertheless appears that this approach based on consultation, including with the private sector and civil society can improve the quality of strategic action planning over medium and long term. Urban development stakeholder decisions, ranging from those taken by local and national governments, to civil society representatives, private companies, and international organizations and multilateral development agencies, can be positively impacted in terms of social, economic, and environmental gains.

It is these official representatives, governments, development agencies, city networks, and financial institutions that must now coordinate their efforts to bring concrete solutions to city strategic planning. The ongoing, unprecedented socioeconomic and political transformations in the Mediterranean Southern Countries provide a unique historical opportunity to lay the ground for a sustainable urban development for the benefit of all.

The study on *Urban Development Strategies in the Mediterranean* is a first step in this direction, which will be deepened at the Barcelona Conference, to take place on March 14 and 15, 2011. The following stocktaking note aims to contribute to this on-going debate.



Mats Karlsson
Director of the Marseille Center
For Mediterranean Integration



Joan Parpal
General Secretary of MedCities

Introduction

Countries bordering the Mediterranean¹, particularly on its Southern and Eastern shores², are currently undergoing rapid socioeconomic and demographic changes. Many of these are taking place in cities, which generate most of the economic wealth and where steadily increasing populations will represent three-quarters of the total population by 2025, according to UCLG³ forecasts. Spearheading the economy, cities also reflect the most important weaknesses of Southern and Eastern Mediterranean Countries (SEMC), particularly on both social and environmental levels.

For the past ten years, SEMC have been implementing Urban Development Strategies (UDS) to meet these challenges and to anticipate economic, social, and spatial development of cities. UDS complement and sometimes fill the gaps of classical urban planning traditions achieving different results.

This study highlights how this innovative approach, based on consultations and an inclusive participatory process, has allowed cities that have implemented UDS to plan their development over the long term and, in some cases, to initiate action plans over the short and medium terms. However, results remain uneven, and the elaboration and implementation of the UDS will depend on the economic and social context of the countries concerned, and above all, on their institutional framework.

Urban Development Strategies in Mediterranean Countries

In Northern Mediterranean Countries, urban stakeholders have become aware of the inadequacy of their planning instruments to face emerging challenges linked to globalization, and of the urgent need to develop competitive cities and more efficient urban management. Starting in the 1980s and 1990s, competitiveness was reinforced through urban policies that went beyond the standard rules and models of urban planning. Thus gaining on quality, cities that have adopted the UDS approach will be more capable of meeting competitiveness demands between cities both at the national and international levels.

In Southern and Eastern Mediterranean Countries (SEMC), the development of UDS seeks to make up for the time lost as regards employment, housing, and infrastructure, and at the same time, to ensure economic growth and better urban governance, at a time when rising urbanization rates go hand in hand with aggravating social, environmental and institutional disparities. Within this context, the principle of “urban governance” was recognized as the most adequate urban management method to address current urbanization trends in Southern and Eastern Mediterranean Countries.

A specific result of the evolution of the UDS approach, the “City Development Strategy” (CDS) proposes an agenda conducted by urban stakeholders aimed at enabling cities to improve their livability, competitiveness, good governance and bankability⁴.

City Development Strategies have been promoted or supported by different international organizations such as the World Bank, Cities Alliance, GIZ (Aleppo’s Medina, cities in Palestine, Tirana, etc.), AFD (Al Fayhaa, Sfax, Ramallah) or UNDP/Art Gold (Municipal Development Plans of cities in the Tangiers-Tetouan

¹ Albania, Algeria, Bosnia-Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Libya, Malta, Morocco, Palestine, Slovenia, Spain, Syrian Arab Republic, Tunisia, and Turkey.

² Albania, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syrian Arab Republic, Tunisia, and Turkey.

³ United Cities and Local Governments (UCLG) “Policy paper on urban strategic planning: Local Leaders preparing for the future of our cities”, November 2010, page 109.

⁴ World Bank, “Cities in Transition: World Bank Urban and Local Government Strategy”, 2000, page 64.

region and in North-West Morocco, CDS of Al Fayhaa in Lebanon), and UN-Habitat (Ismailia, Tunis). There are also other local initiatives that do not receive international assistance, in Turkish and Moroccan cities for instance.

Although they might seem unique in so far as they deal with the specific issues of each city, city strategy exercises across the world follow three major phases:

- An initial “diagnostic” phase provides a quick assessment of the city's condition;
- A second phase relates to in-depth analysis of the local economic structures and trends, potential institutional, financial, environmental and social obstacles and strategic options for the city's development and definition of corresponding Action Plans;
- A third phase relates to the implementation of the Plan and includes the types and sources of funding for investment plans, access to (and the forms of) outside assistance if needed, particularly intervention modalities of multilateral and bilateral institutions, among others, the World Bank, the European Investment Bank, the French Development Agency, and the Spanish Agency for International Development Cooperation.

Global diffusion of the CDS approach

City Development Strategies supported by Cities Alliance

In order to facilitate the implementation of these strategies, the World Bank and UN-Habitat promoted the creation of a Cities Alliance that would support cities in developing countries in two main areas: the elaboration and implementation of City Development Strategies and slums upgrading citywide and nationwide to improve the lives of at least 100 million slum dwellers by 2020, according to the Cities Without Slums initiative (MDG target n°11).

From 2000 to 2010, Cities Alliance approved 149 city strategies distributed as follows:

- 28% in Sub Saharan Africa,
- 26% in Asia and the Pacific,
- 11% in the Middle East and North Africa,
- 9% in Europe and Central Asia,
- 6% in Latin America and the Caribbean.

Cities Alliance assistance is therefore focused on Africa and Asia, where the CDS experience is still in its embryonic stages while there are definite signs of escalating urban growth. Consequently, it is essential to anticipate not only the physical dimension of urban growth but also its social, economic, institutional and environmental aspects, all of them included in the different city strategies. Cities Alliance has also supported the development of the “League of Cities”, a network of local actors and local and regional authorities in the Philippines. The relatively limited presence of Cities Alliance in Latin America may be explained by the strong autonomous initiatives of several cities that work within the framework of the Ibero-American Center for Strategic Urban Development (CIDEU).

In Southern and Eastern Mediterranean Countries, 14 projects have been approved and financed by Cities Alliance during the 2000-2010 period, while other projects have been funded by other resources or by the cities themselves.

Other strategies throughout the world

Having reviewed the experiences supported by Cities Alliance, it is important to mention other urban initiatives carried out worldwide since the 1980s, with the assistance of international organizations or financed by the cities themselves. In this respect, UCLG's report⁵ highlights the global diffusion of these

⁵ Ibid. United Cities and Local Governments (UCLG), page 6.

strategies and points out that although they may follow similar methodologies, they nevertheless reflect the specific conditions of the countries and regions concerned:

- In Africa, where decentralization has not been completed, these strategies “play a frontrunner role for institutional responses” (South Africa, Mozambique, Malawi, Namibia, etc.);
- In Latin America, many local governments have developed inclusive strategies based on participative local democracy (Brazil, Colombia, Argentina, Mexico, Chile);
- In Europe (Spain, Italy, France, United Kingdom, Germany, etc.), strategic planning has made possible building local and long-term actions to address issues resulting from new imperatives such as competitiveness, changes in labor markets, etc;
- In North America, the financial crisis has revived comprehensive planning and community development;
- Finally, in Asia, strategic plans stress the critical role of climate change and social dialogue (Philippines, China, Indonesia, Korea, India, etc.).

Qualitative assessment of City Strategies in SEMC

City Development Strategies are welcome with enthusiasm—above all by local actors—in many Southern and Eastern Mediterranean Countries because they focus on key urban issues and propose action plans adapted to city budgets and based on realistic schedules. The term “strategic planning” may have different meanings to different actors:

- A tool to define a vision of the future of the city;
- A tool to focus on priority infrastructure projects or other types of projects;
- A tool to create an urban lobby to initiate strategic projects that come under the authority of the central State, or;
- A tool to promote the participation of economic and social agents in the execution of strategic projects.

Supported by international organizations (Cities Alliance, UN-Habitat, GIZ, ADB, etc.) or by networks (MedCities), CDS projects in SEMC confirm these attitudes, highlight similarities, and draw attention to differences.

City strategies in the region have been analyzed through six phases; for practical purposes, and combined into three stages in the summary that follows:

- Preparing the launch of the CDS and participatory diagnosis;
- Concerted and shared formulation of the vision, strategy, and action plans;
- Implementation and institutionalization of the CDS.

1 - Preparing the launch of the CDS and participatory diagnosis

In principle, *the CDS leadership* should be identified with the city’s highest authority. It may be the governor representing the central State or, in general, the elected mayor. In Alexandria, Settat and El Jadida, the CDS was initiated by the governor, while in Tunis, Sfax I & II, Al Fayhaa, Aleppo, Ramallah and Amman it was conducted by the mayor. Identifying the CDS to a strong authority is vital for its success; a change of mayor or governor, however, may disrupt or slow down the CDS process.

In general, *steering structures* are composed predominantly of administrative government officials and a fluctuating, sometimes marginal, representation of the private sector and civil society. Municipal representatives play a significant role in these structures, particularly in the steering committees. Technical committees or units under the authority of steering committees provide the expertise required to carry out the different phases.

The *thematic areas* presented in the city strategies reviewed point to serious urban deficits that nearly always concern economic and social development, transport, infrastructure and urban services, slum upgrading, governance and urban environment, which clearly convey similarities in the economic, social and spatial challenges faced by cities in SEMC.

Differences in the thematic issues chosen reveal interesting specificities. For instance, Izmir was the only city to choose from the start energy and risk management as a key thematic area, gaining a head start on what has become today a key issue.

Although climate change is a ubiquitous topic in the agenda of every world forum, cities in SEMC still appear very hesitant on this matter, which could be a sign of the different priorities of central governments (ministry of the environment) and local authorities, or even the population.

Eventually, local governance and the gender approach stand out as emerging issues (Tetouan II, Tetouan I, Settat, Al Fayhaa, Amman, El Jadida).

2 - Concerted and shared formulation of the vision, strategy, and action plans

A SWOT analysis (strengths, weaknesses, opportunities and threats) is essential to the formulation of the vision and strategy, and the elaboration of action plans. In general, the SWOT analysis was carefully completed by the different actors, but some tended to be exhaustive and it was difficult to establish priorities.

The *visions* that describe the ideal situation “where a city wants to be” and which, in theory, are the result of consultations between all relevant actors, have been approached differently. While the city strategies of Sfax, Al Fayhaa and Tetouan II explicitly state their visions, it is only implied in the case of Tunis. In most cities, these visions seem to lack adequate ownership by public and private stakeholders to facilitate the creation of an urban lobby that would allow a strong commitment from the private sector in the implementation of CDS action plans.

Our analysis of the *strategies* formulated concurs with the 2009 annual report of Cities Alliance: “Preliminary analyses suggest that some of the city development strategies supported by Cities Alliance members: Tend not to be truly strategic; [...] Do not often establish priorities”⁶. Many of the strategic thrusts were too general because cities tended to be too exhaustive, with the exception of the rehabilitation of the medina of Aleppo that chose realistic and feasible targets.

At last, strategic targets are translated into programs and projects under *action plans* underpinned by financing arrangements. Two general observations on the action plans of the cities studied:

- Cities were not empowered to carry out many actions included in their actions plans;
- They rarely discussed in detail the cities’ financial capacities and the ways to improve local finances.

Some action plans are too ambitious with unclear financing strategies or are not backed by any type of funding. Others are essentially focused on projects that may be financed by international donors.

3 - Implementation and institutionalization of the CDS

Most City Development Strategies studied in Southern and Eastern Mediterranean Countries are in the preparation phase. Others have begun their *implementation*, but it is too early to draw solid conclusions. It seems, however, that aspects such as the long-term perspective of the strategy and the direction and follow-up of the implementation of action plans are taken into consideration quite late in the process. A review of the different strategies shows that structures in charge of implementing CDS action plans are created (sometimes no decision is made on this respect) towards the end of the analytical phase, instead

⁶ Cities Alliance 2009 Annual Report, page 33.

of including them in the entire process, thereby losing the opportunity to involve them in and anchor them to the CDS. How these structures would be financed also remained rather vague.

As for the *institutionalization* of the CDS, it chiefly concerns specific actions within the CDS rather than the strategy as a whole. In Morocco, the government decided to institutionalize a strategic planning system that is similar to a city strategy.

Contributions of the CDS

Following these observations, it should be pointed out that the city strategies reviewed achieved results at different levels:

- In some cities, it was the first time that all local actors met at one time and place to debate on the problems of the city and its future;
- The CDS helps understand responsibilities and accountability at local level. The population becomes aware of the powers and limitations of their local authorities;
- It is a communication tool for the city both nationwide and at international level;
- It is also the occasion to build the capacity of local elected officials and technicians;
- Action plans resulting from CDS are often used by cities as a reference for projects to be carried out by the administration and fund donors—national and international.

CDS perspectives in SEMC: Gradual and uneven ownership of CDS

Three criteria were used to study the evolution of CDS processes in SEMC:

- How the CDS was initiated;
- Involvement of local actors;
- The attitude of national and international fund donors with regards to the CDS, based on which three generations of city development strategies may be identified:

First generation CDS (Alexandria, Sfax I, Tetouan I and Tunis):

- One or several international institutions initiate the CDS process and provide almost all the necessary funds;
- Moderate participation of local actors⁷ (elected and local authorities) and a stronger involvement of deconcentrated authorities (governors);
- Varying contributions of fund donors to projects identified by the CDS.

Second generation CDS (Sfax II, Al Fayhaa, Amman, Settat, El Jadida and Ramallah):

- Increased financial commitment of local actors to the CDS, since the City Development Strategy is no longer exclusively initiated by international institutions;
- Strong involvement of municipal and local leaders and authorities;
- Fund donors see the CDS as a tool to identify sound projects for sustainable urban development.

Third generation CDS (currently being formulated in Turkey, Jordan, Morocco and Tunisia):

- The CDS is not exclusively initiated by one or several international institutions. Central governments take legal measures to promote the CDS approach and provide financial support;
- Strong participation of local actors and central authorities;
- Concrete support of fund donors to the action plans of the CDS.

⁷ With the exception of Sfax I initiated by the municipality with a limited participation of the Governorate.

In third generation CDS, the role of the city strategy with respect to urban governance has changed for four main reasons:

- Central governments have become aware of the need to adopt a strategy approach on both sectoral and territorial levels;
- The need to involve as many stakeholders as possible in the elaboration of the strategies to ensure their success;
- Increasingly serious urban problems can only be solved at local level based on medium to long-term perspectives (Morocco, Tunisia, Turkey, Jordan);
- The need to take into account new sustainable urban development issues such as urban vulnerability to natural hazards, climate change, energy conservation, etc.

In spite of the considerable progress made, SEMC still need to work on their urban strategies in order to upgrade them to the level of the successful city strategies led by cities in Northern Mediterranean Countries. Until recently, SEMC approached city development strategies either as an isolated process, ignoring the institutional and financial constraints of local authorities, or as a tool to address local governance issues that did not fall under the competence of local authorities. These limitations entailed frail strategies (Settat, El Jadida and Tunis). In Morocco, for instance, Local Development Plans (LDP) were developed and while being effective tools, they are legally applicable to municipalities only. Public administrations may freely accept or reject, in part or in whole, these local development plans. Based on the above, should a CDS be less ambitious to render it operational or is it necessary to take action on the context of City Development Strategies to enable them to fully develop?

Acting on emerging practices and overcoming weaknesses - recommendations

An analysis of urban strategies in cities like Barcelona or Lyon in Northern Mediterranean Countries shows that besides following the adequate methodology for its formulation, a CDS will not become operational unless it is:

- Coordinated with other spatial planning tools,
- Underpinned by one or several structuring urban development projects, and,
- Supported by a solid urban governance framework (largely autonomous local authorities, qualified and motivated human resources, expertise and autonomy in the allocation of financial resources, etc.).

Actually, conditions are sometimes quite different in most SEMC. For a CDS to contribute significantly to change urban governance in Southern and Eastern Mediterranean Countries, it seems essential to consolidate emerging practices of what could become success factors of the CDS process. Also, the weaknesses identified should be addressed to render the strategies more operational.

1 - Consolidating success factors of the CDS

These factors include:

- ***Developing major urban projects (apart from traditional planning tools) that may be integrated within the framework of the CDS:*** These structuring projects could become the pillars for the construction of the CDS, and may facilitate direct involvement of cities in the projects' decision-making process. For example: Alexandria's Lake Marriout program, the Integrated Management project for coastal areas of South Sfax (including the relocation of the SIAPE site), transport infrastructures in Izmir, etc.
- ***Evolution of old urban planning systems:*** In spite of criticisms to urban development instruments in SEMC (difficult to implement, not consistent with the reality in the field, lack of ownership by all local actors, etc.), at least they exist and are supported by a long-standing legal and technical framework

shared by central State services and local authorities. Planning systems are undergoing changes almost everywhere. The goal is to set up new urban planning systems capable of effective urban upgrading by making radical changes to current urban planning and management methods (Amman, Aleppo).

- **Implementation of National (or Regional) Urban Strategies:** These strategies are being envisaged or already in progress in some countries, Morocco for example. Some are being conducted by international institutions such as UNDP/Art Gold, GIZ, or the World Bank.
- **Reinforcing the role of regional networks of cities in the CDS:** The success of these networks in Latin America (CIDEU), the Philippines (League of Cities) or in South Africa (South African Cities Network) could serve as an example for the Mediterranean. It could be supported by existing initiatives (the MedCities network), international institutions such as the European Union, or multi-partner platforms like the Marseille Center for Mediterranean Integration (CMI).

2 - Structural weaknesses to be overcome

These weaknesses concern inadequate local governance, but the measures required to correct these deficiencies are not within the powers of local authorities. Reforms at the national level are necessary for more operational city development strategies.

- **National over deconcentrated over Local Authorities**

Southern and Eastern Mediterranean Countries have achieved varying degrees of decentralization. Even in countries where responsibilities are largely decentralized, true devolution of powers has not been achieved. Responsibilities are decentralized, but matching powers or resources are not transferred and the local representative of the State (governor, wali, prefect, etc.) always has more power than municipal leaders. Moreover, the governor who represents central authorities but is more aware of local realities must often follow the instructions of central ministerial services.

- **Local financing and investments**

The elaboration of an ambitious City Development Strategy will be pointless (and even useless and frustrating) if cities do not have the human and financial resources required to meet the needs in infrastructure, social services and public equipment identified in the CDS. As a general rule, SEMC cities included in this analysis did not have the necessary local administrative skills, management capacity or fiscal and legal frameworks to efficiently manage and develop their financial resources. Action plans in several cities (Alexandria, Amman, Ramallah, Al Fayhaa) largely depend on resources that the cities cannot generate at the present time. Furthermore, there is no manifest intent to find an adequate legal and regulatory framework.

- **Local contracting Authorities: Reinforcing Public-Private Partnerships**

To compensate for the abovementioned weaknesses, the task of managing urban services is generally delegated to public establishments or to the private sector. The Moroccan experience shows that outsourcing certain services may complement and improve the expertise of municipalities, but raises responsibility issues pertaining to the population.

Likewise, the idea exists to create dedicated planning structures—combining public and private enterprises—for the execution of complex urban projects. These experiences were also confronted with problems related to the inadequate technical capacity of local authorities.

3 - Recommendations

Among the recommendations drawn from the study, the following priorities concern particularly **national and local partners:**

- Reinforced ownership of the CDS. This requires including a wider representation in the decision making process to avoid disrupting or stalling the process in the event of changes in the strategy's initial leadership.

- Promoting the institutionalization of the CDS nationwide and ensuring the support of the central government in order to encourage cities to implement local development plans over the medium and long term that will initiate a deconcentration process.
- Advocating for the local institutionalization of the CDS by developing Public-Private Partnerships (PPPs). This should motivate the private sector to support the elaboration of the CDS and later on its implementation.
- Taking into account emerging development issues such as urban vulnerability to natural hazards, climate change, energy conservation, etc.
- Setting up structures for the execution of CDS action plans and mobilizing investments as early as possible through the process.
- Consolidating strategies for concrete and visible achievements in order to gain the support and commitment of the population and give credit to the “realistic and feasible” nature of the process.
- Meeting the wide-ranging capacity building needs of local actors by implementing a national education and training policy, organized by specialized institutions.

Recommendations addressed to ***international institutions*** include taking action toward:

- Supporting SEMC governments engaged in the elaboration of National Urban Development Strategies aimed at delegating more political powers to local spheres by putting at their disposal the necessary methodological tools.
- Supporting the mobilization of funds for investments programmed in action plans, particularly structuring projects and infrastructure projects whose funding requirements exceed the funding capacity of local and even national authorities.
- Adapting the methodology for the elaboration of the CDS to problems faced by large cities in the region and promote multi-partner support for the execution of CDS jointly with local and regional authorities engaged in the process.
- Disseminating documents and methodological and technical tools prepared by international organizations for the promotion of a participatory approach.
- Supporting the creation of networks of cities that share the goal of developing city strategies taking advantage of existing networks like MedCities, GIZ’s CoMun currently being developed, or the CMI network of urban developers.

