United Nations Conference on Housing and Sustainable Urban Development (Habitat III)
Quito, 17–20 October 2016
Item 8 of the provisional agenda*

General debate

United Nations Conference on Housing and Sustainable Urban Development (Habitat III) regional report for the Arab region: towards inclusive, safe, resilient and sustainable Arab cities

Note by the secretariat

The present report was prepared by the United Nations Economic and Social Commission for Western Asia (ESCWA) and the Regional Office for the Arab States of the United Nations Human Settlements Programme (UN-Habitat), in collaboration with the Habitat III secretariat. A significant number of experts from different countries of the region representing various constituencies, including academia, civil society, United Nations agencies and programmes and governmental institutions, contributed to the preparation of the report.

*A/CONF.226/1.
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Habitat III regional report for the Arab region: towards inclusive, safe, resilient and sustainable Arab cities

Executive summary

1. Since the second United Nations Conference on Human Settlements (Habitat II), held in 1996, most countries of the Western Asia region have achieved significant progress in managing urbanization, despite the economic crisis, civil unrest, political turmoil and conflicts across the region over the past decade. All countries of the region, except Bahrain, Djibouti, Kuwait and Qatar, whose development patterns have always been predominantly urban, have experienced significant urban growth. By 2050, over 70 per cent of the Arab population will be urban, bringing new opportunities and challenges in sustaining inclusive, resilient and safe human settlements. In order to achieve and sustain such settlements, policies shaping the urban space should foster peaceful coexistence, promote dialogue among residents and levels of governance and integrate policy objectives such as health, transportation and mobility to enhance social equity, particularly for the urban poor and marginalized youth, women and persons with disabilities.

2. The major drivers of urbanization in the region have been: an ecology that limits urban expansion and therefore encroaches on agricultural land; and the age structure of the population, resulting in a youthful population generating high rates of household formation. Land in general, and urban land in particular, presents complex legal challenges reflecting the cumulative legacy of mediaeval, Ottoman, colonial and post-colonial rules and regulations that have shaped tenure rights. Unlocking the potential to capitalize on the key role of land as a public asset in the financing of urban projects will depend on resolving problems arising from complex tenure rights, unclear property titles, cumbersome legal and regulatory controls and a lack of appropriate land management tools.

3. The region has the largest youth cohort in the world, the population aged 15 to 29 accounting for approximately one quarter of its population. Young people have tended to migrate to the region’s cities, especially the major urban areas, attracted by educational institutions and the prospects of finding opportunities for employment, better services or international migration. Urban policies must address the needs of a growing numbers of well-educated, unemployed young urbanites in order to leverage the youthfulness of the region’s populations as an asset. More broadly, recognizing and supporting youth, and particularly young women, as development partners and integrating their concerns into all local, national and regional development frameworks is critical to improving their access to jobs, education, and services and, consequently, livelihoods.

4. While all countries in the region, except the least developed countries, have made remarkable progress in educating their young people, they have generally been unable to provide them with the skills they need to succeed in the labour market. The mismatch between job growth and the age structure of the population generates high youth unemployment in urban areas and continues to be politically and socially destabilizing. The challenge lies in the need to formulate policies to build human skills and generate productive employment opportunities. Such policies should include attention to creating an enabling environment and incentives for increased investments in productive urban economic activities. Women in general, and particularly university graduates, are disproportionately affected, as cultural traditions often constrain their access to certain jobs or their ability to enter the labour force. Policies aimed at creating decent jobs, particularly for urban youth and women, should strengthen labour productivity, improve working conditions and enhance social equity.

5. Historically, the migration of both educated and unskilled workers to other Arab countries, Europe and other parts of the world has provided a safety valve for households. Many governments have allowed or even encouraged their working age population to seek employment elsewhere. The Maghreb and Mashreq countries were severely affected by the global financial crisis of 2008 that simultaneously limited migration and led to a sharp decline in tourism and foreign investment. The local economic and social impacts of disruptions in international migration patterns have been severe. Hence, more efficient migration processes and benefits to host cities and cities of origin will be critical to balancing development gains across territories and improving the inclusion of migrants in urban development. To this end, innovative approaches to ensure that remittances from labour migration are leveraged for inclusive, sustainable, resilient and safe urbanization in the Arab region should be explored and advanced.

6. Protracted armed conflicts, occupation and political turmoil in several countries have generated millions of internally displaced persons and sent refugees across national boundaries under alarming humanitarian conditions. Developing sustainable shelter for the displaced and upholding the
rights of all refugees and internally displaced persons are critical to enhanced resilience and recovery from conflict-induced shocks and stresses. New types of assistance and partnership between multiple stakeholders, including local authorities and the displaced themselves, will need to be found when stability and security can be sustainably restored. As the search for peace and freedom from occupation continues and solutions to the negative human impacts of wars, occupation and protracted conflicts are developed, a renewed commitment to the principles of protection and humanitarian assistance is needed to increase regional and global solidarity in the management of forced displacement and conflict prevention.

7. While the urban-based industrial and service sectors now account for an increasing proportion of the GDP in all countries in the region, past policies have contributed to spatial disparities across national territories by concentrating economic activities in a few large cities where the bulk of the domestic market is located. Attempts to overcome these disparities are hindered by the mismatch between the ability of urban governments to manage growth, the dynamics of private development and the financial resources available to local authorities. Governments in the region’s stable and post-conflict countries should continue to promote urban economic growth in regions lagging behind as a means to promoting more balanced territorial patterns of development. At the same time, governments should capitalize on cities’ potential to utilize their economies of scale and agglomeration to accelerate national economic growth and improve access to services, as it is cheaper to provide such services to larger numbers of concentrated urban dwellers than to dispersed rural populations. Balancing urban development gains and overcoming spatial disparities within and among cities and towns will require a review of centralized administrative structures to ensure and facilitate implementation of flexible urban programmes that can engage multiple stakeholders, including the private sector and civil society.

8. Public transport is limited in most Arab cities; individual modes of transportation are the norm. Only a few cities in the region have invested in urban mobility, in part due to the availability of cheap fuel subsidized by governments and the lack of resources to improve the extension of public transportation to suburban areas. The implementation of coherent metropolitan plans will require significant investment in public transport that enhances mobility and access to the urban services and opportunities that can spur economic development. The proactive development of integrated policies should ensure that spatial planning processes are consistent with socioeconomic, cultural and environmental priorities for more equitable urban development. A nexus approach, recognizing the linkages between land, food, energy and water can contribute to more equitable urban development in the region. Urban planning strategies and policies should also aim to preserve valuable resources, protect environmentally sensitive areas and provide adequate green spaces.

9. Climate change has the potential to intensify competition for scarce water resources and challenge existing riparian agreements. Rising food prices and charges for piped and portable water will inflict hardship on the urban poor and have the potential to lead to civil unrest. Demand for energy to pump water from greater depths, treat and reuse wastewater and desalinate saltwater will put additional stress on national energy systems. Adapting to climate change will require more rational use of water to promote conservation, more equitable allocation of water use rights, a reduction in reliance on fossil fuels, investment in renewable energy and an increase in intraregional cooperation for resource sharing. There is an urgent need to improve water efficiency and management in cities by adopting modern water technologies in the service sector and overcoming technical and financial barriers to implementing broader wastewater treatment systems.

10. Many countries in the region are pursuing structured decentralization supported by technical and managerial capacity-building to enhance their economic competitiveness, drive the growth of leading sectors and strengthen the ability of local authorities to address integrated development challenges through culturally adapted participatory governance. In order to meet these challenges, successful decentralization of development functions will require the technical and financial capabilities of all levels of governance to be strengthened, especially those of local authorities for the implementation of national plans. Also needed to advance decentralization in the region are coherent allocation of responsibilities among national, provincial and local governments and integrated capital investment programming as an instrument of municipal spatial planning and financial management.

11. When current conflicts in the region come to an end, the right to voluntary return and restitution must be recognized, along with the right to adequate housing and the restoration of land and property, which may require new institutional mechanisms or the coordination of existing governance and planning frameworks. Sources of finance and investment will also need to be found to respond to the daunting challenges of rebuilding totally or partially destroyed cities and towns in conflict countries.
12. Collaborative bottom-up approaches to urban planning and governance are needed to respond to and effectively integrate the aspirations and needs of urban dwellers. Exclusionary planning practices, regulations and urban administrative processes should be reformed in ways that respond to public interest and are in line with broader development visions. Efforts to enhance public participation should foster the engagement of women, youth, persons with disabilities, the elderly and others whose needs are currently overlooked or inadequately addressed by local authorities and service providers.

13. Enhanced data for better monitoring and management of human settlements is critical to understanding urban development opportunities and challenges, designing appropriate local and central government responses and applying approaches that enhance inclusivity, equity, safety and sustainability. Regional intergovernmental organizations offer a unique strategic platform from which to initiate reform towards enhanced data collection and disaggregation, and harmonization of methods and policy options in the region.

I. Introduction

14. In line with the Habitat III preparation and guidelines, this report discusses the role of urbanization in development in the Arab region. The issues of accessibility and social inclusion, climate change and United Nations core values are covered, while the report as a whole and the recommendations are structured around the following topics: economy, social equity, environment and governance. The report’s parts focus on specific drivers of the region’s urbanization and the related policy responses of its governments.

15. Where appropriate, the analysis is broken down according to the following subregions: Mashreq – Egypt, Iraq, Jordan, Lebanon, State of Palestine, Syrian Arab Republic; Maghreb – Algeria, Libya, Morocco, Tunisia; Gulf Cooperation Council (GCC) – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates; and Arab least developed countries – Comoros (see box in figure 1), Djibouti, Mauritania, Somalia, Sudan, Yemen.

Figure 1
Map of the Arab region

16. Parts II and III review urbanization and development trends since Habitat II and highlight the impact of urbanization dynamics that are particular to the region. The main topics addressed are the youthfulness of the population; the importance of remittances from expatriate workers in driving urban expansion, particularly the spread of informal settlements; and the impact of the numerous conflicts on forced displacement, both internally and across national borders.

17. Part IV documents the region’s change to a predominantly urban economic base. It describes the changing dynamics of growth and the responses of national governments to attempt to balance spatial development at the national and local levels and to manage growth within an integrated framework.

18. Part V deals with urbanization and social equity. It assesses the impact of the region’s rapid urbanization on the quality of urban life and availability of open space, food security, social inclusion, the role of women and attention to the needs of persons with disabilities. While the Arab States have
made some progress towards inclusive urban development, social inequity continues to drive the fragmentation of urban space (particularly brought to light by the demonstrations of 2011).

19. Part VI deals with the potential effects of climate change on the region. The probable subregional manifestations are described and government adaptation responses and transitions to clean energy assessed. The chapter also deals with urbanization as it affects the natural and built environment, including human health and increased demand for water, waste management and basic urban services.

20. Part VII analyses changes in urban governance and the extent to which decentralization policies have been an effective response to the region’s rapid urbanization. The growing role of local government in some countries is assessed in order to identify the institutional, financial and human resources constraints that are hindering the devolution of urban planning and management capacity to the local level. The increasing participation of civil society in the provision of social services is given particular attention, along with its expanding advocacy role regarding issues of public open space and the environment.

21. Part VIII summarizes the main issues discussed in the report and proposes regional key messages to inform the global process leading to the formulation and implementation of the New Urban Agenda.

II. Urbanization and development

22. Much progress has been made by Arab States to meet the Millennium Development Goals. Improvements in enrolment and gender parity in education, in addition to human health and educational outcomes in cities, have lifted many out of urban poverty. However, there are still spatial disparities between urban and rural settlements and within urban areas and subregional differences in terms of gender equality and sustainable resource management. Moreover, one critical factor impeding human development progress today is the threat to human security resulting from protracted conflicts in the region. Re-establishing peace and stability is a prerequisite for enhancing human development by leveraging the region’s resources, including the opportunities represented by its large youth cohort.

23. The Arab region’s challenges and priorities in terms of urbanization and development are reflected in the recently adopted 2030 Agenda for Sustainable Development. The Agenda includes 17 sustainable development goals that maintain the focus of the Millennium Development Goals to eradicate poverty in all its forms (United Nations, General Assembly, 2015). The sustainable development goals emphasize the interdependence of development issues and cover topics not fully addressed in the Millennium Development Goals, including equality, governance and sustainability, along with a focus on promoting peaceful and inclusive societies. The 2030 Agenda recognizes that, although the goals are universal, each country has its own specific situation, capacities and policies: each country is firmly in the driver’s seat in terms of setting targets, designing policies and monitoring and reporting on progress.

24. Although all 17 goals have links with urban issues, goal 11 is particularly relevant, focusing on the need to “make cities and human settlements inclusive, safe, resilient and sustainable”, and, by 2030, to “enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries”. Understanding the dynamics of urban settlements in the Arab region is a first step towards achieving this goal.

III. Urbanization and demography

25. Since Habitat II, most countries in the Arab region have witnessed significant increases in the proportion of their urban population. The geographic expansion of cities and towns in this predominantly semi-arid region has often led to the loss of valuable agricultural lands to urbanization.

26. While the level of urbanization in the region is relatively high, there are wide variations across different subregions and within individual countries as a result of spatial development policy, geography, vegetation, agricultural practices, cultural traditions and, more recently, the population movements and concentrations resulting from conflict and insecurity in the region.

27. Addressing urban development challenges in the Arab region requires comprehensive national development strategies that recognize the inextricable links between food production, water consumption and energy in a region where these issues are inextricably linked. Such a strategy must

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1 A/RES/70/1.
also recognize that the inability of rural areas to meet development challenges adequately is a major driver of urban growth. National policies need to address both rural and urban development issues in order to build resilient strategies capable of creating synergies across thematic areas and sectors.

28. The urbanization in many countries in the region has continued at a rapid pace as a result of continued high birth rates, economic transformation or environmental changes (figure 2). In 1996, the Gulf Cooperation Council countries were already among the most urbanized countries in the world. Since the 1990s, the demographic composition of their urban population has changed as their need for expatriate workers has increased due to large-scale urban development projects. Except for Djibouti, which functions much like a city-state, the least developed countries that were among the least urbanized in the Arab world and had recorded modest increases in urban population proportions since 1996 have started to urbanize rapidly. By 2050, 50 per cent or more of the population of all Arab States except Comoros will live in urban areas. This presents an enormous challenge and will require growth management strategies and appropriate policies that are highlighted throughout the report.

Figure 2
Urban population as a percentage of total in each subregion (1994, 2014, 2050)

Source: 1996 data from World Bank 2015a; 2014 and 2050 data from United Nations Department for Economic and Social Affairs (UN DESA), 2014; 1996 data for Sudan includes South Sudan.

29. The historical continuity of millennia-old cities in the Mashreq informs their primary place in the subregion’s spatial development policies and urban structures, leading to continued growth in primate capital cities. Amman, Baghdad, Cairo and Beirut, for instance, account for 21 per cent, 27 per cent, 48 per cent and 55 per cent of the urban populations of their respective countries (World Bank, 2015a). Cairo is the largest city and anchors the only mega urban region in the Arab region: the Cairo-Alexandria corridor.

30. It is worth mentioning that urban data is not harmonized across the region as the definition of urban areas differs in the different countries. Most countries use a combination of quantitative information, such as a population threshold, and qualitative information, such as a city’s administrative or economic importance in a national context. Over the decades, quantitative and qualitative criteria have changed in many Arab States. In Mauritania, for example, the population threshold for urban areas increased from 5,000 or more inhabitants in 1988 to 10,000 or more in 2000. Other examples of qualitative criteria include the predominance of a non-agricultural economic activity in Algeria, administrative centres of prefectures in the Comoros and localities of administrative and/or commercial importance in Sudan.
Table 1

<table>
<thead>
<tr>
<th>Definition of “urban” in national population statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantitative criteria</strong></td>
</tr>
<tr>
<td>Bahrain (2,500 inhabitants or more); Lebanon (5,000 inhabitants or more); Qatar (5,000 inhabitants or more); Saudi Arabia (5,000 inhabitants or more); Tunisia (5,000 inhabitants or more)</td>
</tr>
</tbody>
</table>

Source: UN DESA, 2014.

31. The problem of data harmonization for better comparison and analysis is not limited to the Arab world, nor is it restricted to the field of urban demographics. In order to assess more accurately the needs of the most vulnerable citizens, countries in the region would benefit from improved data collection and disaggregation, including information on education, socioeconomic status, ethnicity, sex, religion, nationality, etc. The ability to implement statistical reform is highly dependent on the institutional context of the statistical bureau and its governance, the resources allocated to it, and the presence of qualified staff. In conflict and post-conflict settings, the ability of statistical agencies to fulfil their mandate, to produce accountable and transparent statistics is challenged.

A. Youthfulness

32. Since the 1970s, advances in health care, particularly for infants and mothers, have improved crude birth rates. While the demographic transition has accompanied development in many Arab States (resulting in lower death rates), fertility rates have remained high and have been decreasing less dramatically than in previous decades, particularly in the Arab least developed countries. This has led to very youthful age structures in the Arab world, where in 2011 over half the population was under the age of 25 (ESCWA, 2011).

Figure 3

Fertility rate, total births per woman in Arab States

Source: Data from World Bank, 2015a.

33. As more young people flock to cities seeking education and employment, urban policies will need to address the challenge of growing numbers of highly educated, unemployed urban youth in order to leverage the youthfulness of their populations as an asset. This has been a significant
challenge in several countries, given the magnitude of the youth bulge combined with the persistent struggle to combat poverty and endure armed conflicts. Unemployment rates are often higher in urban areas and disproportionately affect women. Cultural traditions, limited mobility and other factors further constrain the mobility of young female graduates and hence their ability to enter the labour force.

34. The current situation in the Arab region follows a sustained period of decreasing youth unemployment since 1995. Around 2010 (and coinciding with the turmoil), the situation began to deteriorate and has not recovered. Youth unemployment rates are higher among the middle classes, indicating a mismatch between the knowledge and skills acquired through education and the demands of a dynamic labour market in the regional and global economy. Failure to create opportunities for young people risks jeopardizing urban security and national stability, as the turmoil of 2011 and its aftermath have shown.

35. Many countries in the region have moved beyond viewing urban youth as a group in situations of vulnerability or one at risk of exclusion. They have drafted independent youth policies and established bodies to understand and meet their needs, particularly to inform education, training and employment policies in countries directly affected by the events of 2011. Tunisia’s Youth Policy 2015 is an example. Jordan, the first country to develop a national youth policy in the region in 2005, has acknowledged the need to build closer links between educational and training systems and the labour market, and to understand the specific needs of urban youth in order to enable them to become meaningful actors and participants in the country’s political, economic, social, and cultural development (Jordan, 2005 and 2014). Improving the employability of young people is also a priority for Morocco and, ensuring that the educational strategy and accompanying investments are consistent with the needs of the labour market is part of Iraq’s vision for its urban youth (Iraq, 2014).

36. The needs of urban youth in many Gulf Cooperation Council countries and least developed countries are primarily framed and addressed by national ministries and dedicated central government agencies. The services of specialized youth agencies, such as the General Presidency of Youth Welfare in Saudi Arabia, generally focus on sport and social and cultural activities for young people in cities and towns. Youth policy as described in Saudi Arabia’s Ninth Development Plan (2010-2014) for example, calls for the expansion of athletic opportunities for females within the appropriate framework of the social values of the Kingdom (Saudi Arabia, Ministry of Economy and Planning, 2009). Women’s ability to participate fully in some of these welfare programmes remains limited, however.

37. The size and characteristics of the youth cohort in the Arab world has significant implications for national economic policy, but also for urban planning and governance, particularly in terms of future demand for housing. As future citizens of their cities, young people have a right and a responsibility to participate in and contribute to the formulation, implementation and monitoring of the New Urban Agenda in the Arab world. They have not participated in the implementation of the Habitat Agenda principles, although, as the recent events and civil unrest in the region demonstrated, there is great awareness of the importance of their political participation. While only Egypt, Jordan, Tunisia, and Yemen have established legislative committees on youth issues, civil society has seen a proliferation of organizations focusing on the priorities of urban youth in recent years. In 2009, Lebanon and Iraq established national youth parliaments to foster citizenship and leadership (ESCWA, 2011). The younger generation’s proven ability to utilize and leverage information and communication technologies has great potential to create greater opportunities for participation and to influence policies related to sustainable urban development.

38. Furthermore, the demographic impact of prolonged conflict on the 18 to 30 age group, has started to appear in some countries predominantly among males who were drafted into the army or voluntarily joined militias. Imbalances in age/sex ratios have emerged in both Iraq and the Syrian Arab Republic. Youth displaced by violence and wars have had to seek wage-paying daily labour to support their families, as is the case of Syrian refugees in Jordan, Lebanon, and the Kurdistan region of Iraq. The impacts of conflict and violence have also had a substantial effect on women and, young girls. Child marriage figures for Syrian refugee girls under 18 in Jordan rose from 12 per cent in 2011 (similar to pre-war Syrian figures) to 25 per cent in 2013. This phenomenon was driven by pressures on Syrian households stemming from a lack of economic resources and a desire to protect their young women. It has often resulted in negative health and education outcomes and violations of women’s and children’s rights (Save the Children, 2014).

B. Conflict and forced displacement

39. Since Habitat II in 1996, the Arab region has faced various conflict and post-conflict situations. Nine of the 22 countries suffered from at least one conflict during the five-year period from 2009 to 2013, resulting in a weakening of the rule of law, declining operational capacity to provide
services, a spread of informal housing and land grabs, increased levels of crime and reduced safety (ESCWA, 2014).

40. By the end of 2014, displacement totals had reached a global record high, with 59.9 million people characterized as refugees, internally displaced persons or asylum seekers, driven in large part by conflicts in the Arab region (UNHCR, 2015a). The Syrian crisis has significantly contributed to this growing total in the last few years, bolstered by ongoing conflicts in Somalia, Sudan and Yemen and continued instability in Iraq and Libya. Palestinians constitute the largest refugee population in the world.

41. Changes in climate, with increasing frequency and magnitude of dry seasons, have also led to population displacement in the past 20 years and continue to be one of several factors driving rural to urban migration in many countries. Children and youth constitute a significant proportion of the displaced in the Arab region today, many of whom live in conditions that threaten their right to security, education and access to health care, among other basic services critical to their development.

Figure 4
Global forced displacement with key events (1989–2013)


42. Forced displacement poses human and environmental challenges. In some countries, camps remain the only politically viable policy to ensure access to asylum, particularly for international refugees, (UNHCR, 2014c). While camps can offer advantages in terms of coordinated service provision in emergency situations, the Arab experience has been marked in many instances by rapid overcrowding leading to sanitation problems, outbreaks of disease, flooding, fires and insecurity, particularly for women and girls (ESCWA and International Organization for Migration (IOM), 2015). Currently, most displaced persons live in non-camp settings, particularly in cities.

C. Internally displaced persons

43. By the end of 2014, there were 7.6 million internally displaced persons in the Syrian Arab Republic, more than in any other country. Iraq and Sudan host the world’s third and fourth largest populations of internally displaced persons (over 3.2 million and 3.1 million respectively) (UNHCR, 2015a). Internal displacement has increasingly become a characteristic of 21st century conflicts and, in turn, has required new mandates and inter-agency frameworks (several of which were developed in the 1990s and 2000s). The Guiding Principles on Internal Displacement, presented to the United Nations Human Rights Committee in 1998, recognizes the rights of the internally displaced. While some seek refuge in camps or collective centres (often managed by international humanitarian organizations), an increasing number are settling in cities, where it is increasingly difficult to differentiate them from the local urban poor (Internal Displacement Monitoring Centre (IDMC), 2015).

44. In the Syrian Arab Republic in October 2014, Aleppo governorate had the largest internally displaced population of any governorate (nearly 2 million). The capital, Damascus, hosted another 400,000 (IDMC, 2014). In Iraq, estimates put the total number of displaced persons close to 4 million in June 2015, many of whom had fled to urban centres such as Baghdad or Erbil in the Kurdistan Region. In Anbar province, most of the displaced were within their province of origin and had fled to
Fallujah and Ramadi, the two fastest growing urban centres in the country (Serageldin and others, 2014).

45. In addition to massive displacement in the Mashreq, civil wars in Libya, Sudan, and Yemen have forcibly displaced millions in multiple waves. Protracted conflict in Darfur, spill-over violence from South Sudan and natural disasters had driven the displaced population in Sudan to over 3.1 million by early 2015. Conflict in Libya displaced approximately half a million people in 2011 and another half million in 2014, when violence reached urban camp settings (ESCWA and IOM, 2015).

46. Displaced persons in the region tend to concentrate in urban areas, seeking the security and economic opportunities that cities can offer. In Sudan, it was estimated in 2008 that between 18 and 23 per cent of the urban population of Khartoum were displaced persons, not including those living in camps (Jacobsen, 2008). According to UNHCR, the vast majority of displaced persons in Yemen do not live in camps but in rented rooms or informal settlements, exacerbating issues related to inadequate housing, access to basic urban services and sustainable development patterns (UNHCR, 2015).

47. In situations of protracted conflict that generate multiple displacements, the needs of the displaced become complex and have long-term impacts on host communities. The strain on local authorities has resulted in basic urban services being provided by humanitarian actors; this includes health and educational services provided by religious institutions and private entities, and waste collection (UN-Habitat, 2014a). The presence of large numbers of displaced persons drives up housing costs, so preferred housing options include living with relatives or friends or renting from host families. As family savings are depleted, the shelter conditions of many households continue to deteriorate, forcing families to share single housing units or live in incomplete housing units and makeshift accommodation.

48. Solutions for the internally displaced differ from those for refugees, as the former are citizens of the country in which they have been displaced. Some countries have adopted policies to manage internal displacement. Iraq developed a national policy on displacement in 2008 that widened land tenure options in order to facilitate displaced persons’ access to land and ensure their right to adequate housing (Iraq, 2014). Yemen was the second country in the Arab region to adopt such a policy in June 2013, when its main achievement was to establish a legal framework promoting the primacy of volunteerism regarding integration, resettlement or return.

49. The situation of displaced populations in the region is dynamic and is correlated with developments in the various conflicts causing such displacement. New urban policy considerations that do not take into account the Office for the Coordination of Humanitarian Affairs (OCHA) Guiding Principles on Internal Displacement and the Inter-Agency Standing Committee (IASC) Framework on Durable Solutions for Internally Displaced Persons risk overlooking or excluding the needs of the displaced in terms of access to shelter, services and livelihoods, and jeopardizing local and regional stability. Today, the question of durable solutions for the internally displaced primarily comes down to ensuring long-term safety and security and protecting rights such as the right of return and the restitution of land or property as guaranteed by the Pinheiro Principles. Capacity and resources for local and central governments are a critical component of durable solutions to ensure sustainable access by internally displaced persons to land and services.

D. Refugees

50. Conflicts in Iraq, Libya, Somalia, Sudan, the Syrian Arab Republic and Yemen and the occupation of the State of Palestine have contributed to a protracted refugee crisis, the impacts of which are felt globally. In 2014, the Syrian Arab Republic became the country of origin of the largest number of refugees worldwide. Syrian refugees have primarily sought safety, shelter and services in the cities of neighbouring countries, namely Turkey (2.62 million), Lebanon (1.07 million), and Jordan (635,000) (UNHCR, 2015b). With a decreasing proportion staying in camps, host cities face the challenge of providing housing, basic urban services and jobs to this influx of refugees.

51. As of the end of 2014, Lebanon and Jordan were among the top 10 refugee-receiving countries in the world and hosted the highest and second highest number of refugees per 1,000 inhabitants, respectively (UNHCR, 2015a). Other Arab States hosting Syrian refugees include Iraq (245,000) and Egypt (118,000) (UNHCR, 2015b). Contrasting with the suddenness of displacement in the Syrian Arab Republic, the State of Palestine is the country of origin of the world’s longest lasting refugee crisis. In 1995, 2.8 million displaced Palestinians were registered with the United Nations Relief and

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2 United Nations Principles on Housing and Property Restitution for Refugees and Displaced Persons.
Since 1995, global refugee returns have hit an all-time low, with only 100,000 refugees returning to their countries of origin in 2014, including nearly 11,000 to Iraq and a little more than 13,000 to Sudan (UNHCR, 2015). The changing natures of conflicts in the region and the events that have unfolded have seriously jeopardized the ability of refugees from both Iraq and the Syrian Arab Republic to return. The rapid growth in the number of refugees from the Syrian Arab Republic in the past four years has strained local and international asylum systems, making a durable shelter solution for refugee households an increasingly long and often difficult process while the length of the conflict has led many Syrian refugees to seek greater security and better living conditions in Europe. The nature of the conflict compounds the difficulty of the current refugee situation, as voluntary return of Syrian refugees hinges on the ability to restore peace and security in the war-torn country.

National and local authorities are critical stakeholders in dealing with refugee populations, an increasing proportion of whom (currently 59 per cent of refugees globally and over half of global internally displaced persons) are no longer seeking temporary refuge but are living in urban settings (Crawford and others, 2015). In Jordan, approximately 85 per cent of Syrian refugees are living in non-camp settings, primarily in the northern governorates. Over 50 per cent of refugees have settled in Amman and Irbid governorates, with another 20 per cent in Mafraq and Zarqa (Jordan, 2015). One of the key issues facing Syrian refugees is gaps between the income that their limited economic activities have been able to generate and the cost of living, such as high food prices and increasing rents. Studies published in April 2013 showed that in Mafraq 86 per cent of Syrian refugees lived in a house or apartment with an average cost of JOD 136 ($190), compared to average monthly income of JOD 140 ($195), leaving few resources for other essentials (UNICEF, UNHCR; REACH, 2013; CARE, 2013). The vulnerability of refugee households is exacerbated by short-term, insecure rental contracts. Jordan’s national housing sector response strategy emphasizes interventions that strengthen how the urban housing sector can meet the basic needs of both refugees and local populations by bringing unfinished or dilapidated housing units into the market in partnership with the local private sector through support to Jordanian developers, banks, and enhanced household credit capacity.

Overcrowding, water scarcity, and spontaneous land settlement patterns have negatively impacted living conditions and the environment. The Government of Lebanon estimates that over a million Syrian refugees are renting accommodation or living in informal settlements across 1,000 municipalities, where they account for approximately 25 per cent of the population in host communities. By the end of 2014, it was estimated that 55 per cent of refugees lived in substandard shelter or informal settlements (Lebanon and United Nations, 2014). Female-headed households are more likely to live in dwellings with inadequate water and sanitation and have been identified as paying significantly less rent than male-headed households (World Food Programme, United Nations Children’s Fund and UNHCR, 2014).

In both Jordan and Lebanon, the urban poor in host communities are often negatively impacted by refugees’ willingness to accept lower wages and pay higher rents. On the other hand, businesses and property owners benefit from this new demand for jobs and rental housing. The increasing income disparities generated by these crises can have long-lasting implications for urban resilience and affect host communities’ ability to absorb shocks and sustainably recover from them. The water, sanitation, and power networks in many Lebanese host cities have not been able to keep up with the peri-urban growth of informal settlements fuelled by refugee arrivals. With proper management, however, the skills brought by refugees and displaced populations to host communities can be harnessed to become catalysts of development. European host countries such as Germany and Italy have begun developing and implementing policies to offer affordable housing options in areas with declining populations.

As the numbers of the displaced continue to rise and refugees travel increasingly long distances seeking safety and opportunities to rebuild their lives, there is a need for new transnational solutions. Regional cooperation through the Syria Regional Response Plan⁴ has emerged as a

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⁴ The first regional response plan was announced in March 2012.
necessary coordinating framework for governments and the humanitarian sector for providing assistance during the Syrian conflict and enhancing the resilience of affected areas. New modes of assistance and partnership have also emerged, such as cash transfer programmes and area-based approaches that incorporate inputs of host communities themselves. The 2014 Regional Response Plan was the first to incorporate support for local authorities through institutional capacity-building (UNHCR, 2014b). Furthermore, national authorities that control municipal budgets should provide municipalities with funds commensurate with the challenges they face and clear policy guidance to enable them to act.

57. As the search for peace in the region continues and solutions to the negative human impacts of wars and protracted conflicts are developed by Arab States, a renewed commitment to the principles of protection and humanitarian assistance is needed to increase regional and global solidarity in the management of forced displacement. The pressures that protracted displacement and refugee situations place on urban service provision need to be considered seriously as the humanitarian sector coordinates its response with local authorities and host community participation. The first World Humanitarian Summit, held in May 2016 in Istanbul, was a useful platform on which to generate workable solutions and cooperation mechanisms in line with the New Urban Agenda that considers sustainable solutions for the displaced. Urban stakeholders, sectoral ministries dealing with urban affairs, local authorities, and urban-based civil society organizations will be vital in localizing the humanitarian response and preparedness in managing increasingly urban refugee crises. As emphasized in a major report on migration, displacement and development in a changing Arab region, local governments, civil society, and urban planners are best placed to identify the needs and priorities of both forced migrants and host populations in order to tailor urban development strategies to suit local conditions (ESCWA and IOM, 2015).

E. Urban migration

58. Rural to urban migration was a major driver of the fourfold growth in urbanization in the Arab region between 1970 and 2010. The Habitat Agenda advocated policies that sought to alleviate pressure on cities by stemming rural to urban migration through increasing investment and extending the provision of basic services to rural areas. While many such programmes were implemented, few affected migration. Several international organizations are therefore focusing on making migration processes more efficient and enabling the poor to enjoy the socioeconomic advantages found in urban areas (United Nations, 2014). There is growing recognition that rural development policies need to be promoted, while at the same time strengthening urban and regional policies that can eventually direct population flows towards strategic nodes and new growth poles along development corridors.

59. Rural to urban migration in the Arab region has been driven by several push and pull factors. Economic development through investment in city-based industries and sectors and the livelihood opportunities they offer attract rural migrants, while endemic water shortages and droughts and the modernization of the agriculture sector push many rural residents to abandon agriculture-based livelihoods. As urban-rural disparities persist, families and individuals seeking greater access to work, better services, and better quality of life continue to flow to large and medium-sized cities in each subregion.

60. Mashreq countries are primarily countries of origin, sending skilled and unskilled rural and urban workers to the Gulf States or abroad. Patterns of migration in and out of the region have been severely disrupted by events since 2011 and forced displacement. Before the civil war, the Syrian Arab Republic was predominantly a host country, hosting significant numbers of Iraqi and Palestinian refugees, as well as other migrants from Arab States, who accounted for 86.5 per cent of foreign nationals in the country (Syrian Arab Republic, Office of the Prime Minister, 2004).

61. In the Maghreb, cities in oil-producing countries such as Algeria and Libya were key destinations for Egyptians, Lebanese and other regional migrants attracted by the job opportunities created by oil revenue. In Libya, African migrants settled more or less permanently in the country, a situation facilitated by the country’s pan-African policy, altering the structure of the economy and society in many cities. The war in Libya reversed this immigration pattern with migrants fleeing to neighbouring countries, crossing the Mediterranean Sea to Italy or returning home. Morocco and Tunisia are predominantly sources of migrants to Europe. Between 2000 and 2013, the global stock of migrants from the Maghreb grew from approximately 3.6 million to 5.5 million (UN DESA, 2013).

62. One of the most striking migration transformations in the Maghreb affecting urban development is the influx of sub-Saharan African migrants using urban areas of Morocco as transit cities through which to migrate, often illegally, to Europe. The magnitude of irregular migration flows through the Morocco-Spain corridor increased through the late 2000s and the Spanish authorities’ increased control of the land and sea crossings led increasing numbers of sub-Saharan Africans to
settle in Moroccan cities, with large concentrations in Rabat. This led Morocco to become the first Arab country with an immigration policy. Adopted in 2013, it included the regularization of certain categories of migrants (Morocco, Ministry responsible for Moroccans Residing Abroad and Migration Affairs, 2015). Several institutions are working to reduce the marginalization of sub-Saharan African migrants, but discrimination and negative perceptions by host communities are still barriers to further integration.

Figure 5
Key migration routes in the region

Source: IOM, 2015a

63. The ability of Gulf Cooperation Council countries to achieve their large-scale urban development projects has been largely dependent on expatriate workers. As of 2013, the Gulf States hosted 2.4 million Egyptians and another half million workers from Jordan, the State of Palestine, and the Syrian Arab Republic. Most low-skilled expatriate labourers come from Asian countries (primarily the Indian subcontinent) through sponsorship systems known as kafala. These systems, which place the legal responsibility for the provision of housing and services for expatriate workers on employers, are criticized for perpetuating poor living and working conditions. However, certain reforms in recent years have sought to grant greater rights and benefits to these workers. For instance, legislation enacted in Bahrain (2009) and the United Arab Emirates (2005) has improved labour mobility for expatriate workers in those countries, while Kuwait enacted legislation to protect the rights of domestic workers in 2015 (Zahra, 2015).

64. In the smaller Gulf States, non-nationals constitute the majority of the population, as is shown in table 2 (European University Institute and Gulf Research Centre, 2015). The last two decades have seen a significant increase in bilateral agreements between countries of origin and host countries, particularly agreements with Asian governments to coordinate recruitment, labour management, and protection of the rights of temporary expatriate workers, and additional protocols that primarily address conditions for repatriation.
### Table 2
Expatriate workers and bilateral agreements with countries of origin

<table>
<thead>
<tr>
<th>Country</th>
<th>Non-nationals as a percentage of total population (latest year available)</th>
<th>Bilateral agreements on labour movement with countries of origin and date of first agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>52%</td>
<td>Nepal (2008)</td>
</tr>
<tr>
<td>Kuwait</td>
<td>69%</td>
<td>Egypt (1997); Philippines (1997); India (2007)</td>
</tr>
<tr>
<td>Oman</td>
<td>44%</td>
<td>India (2008)</td>
</tr>
<tr>
<td>Qatar</td>
<td>86%</td>
<td>Morocco (1981); Tunisia (1981); Sudan (1981); Somalia (1983); India (1986); Bangladesh (1988); Iran (1991); Pakistan (1992); Somalia (2005); China (2008); Turkey (2009); Gambia (2010); Macedonia (2014)</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>33%</td>
<td>Philippines (2013); India (2014)</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>89%</td>
<td>Nepal (2007)</td>
</tr>
</tbody>
</table>

*Data source: European University Institute and Gulf Research Center, 2015.*

65. Labour migration policies have important implications for the development of inclusive cities that ensure access to decent living conditions for all and urban development that promotes social cohesion. The labour demanded by large-scale urban development also requires national and international policies to efficiently manage labour movement in ways that maximize benefits to host countries and countries of origin.

66. In 2006, the League of Arab States adopted the Arab Declaration on International Migration to facilitate mobility and ensure mutual benefits among Arab States and countries of origin and promote Arab development and regional integration. The 2013 Declaration on International Migration in the Arab Region reinforced collaborative approaches to managing expatriate labour, particularly in the Gulf countries. The United Arab Emirates participated in a pilot project with selected Asian governments to increase the efficiency of temporary work contracting processes and improve the working and living conditions of expatriate workers.

67. In the region’s least developed countries, population movements have intensified at various points during or in the aftermath of civil wars in Somalia, Sudan and Yemen. Population transfers in Sudan occurred primarily between the signing of the Comprehensive Peace Agreement and the secession of South Sudan. The year before independence, 300,000 people moved from South Sudan to Sudan (UN DESA, 2013). These population movements and the urban primacy of Greater Khartoum have led to economic migration to the metropolitan region in search of job opportunities, better urban services and better quality of life. All of the region’s least developed countries have experienced net emigration since the mid-1990s, though in the last five years, net immigration to Djibouti and Somalia has increased.

### F. Remittances

68. Approximately 9 per cent of global remittances flow to Arab States, while 17 per cent flow from the Gulf States to migrants’ countries of origin (World Bank, 2015). Egypt receives the largest absolute value of remittances in the region and is the sixth largest recipient in the world. Greater Cairo and Upper Egypt are hubs for remittance investments, particularly in land and housing, which continue to appreciate rapidly. The most recent information on the contribution of remittances to GDP dates from 2013 and is therefore distorted by the effects of the 2011 turmoil in the Mashreq countries. Comoros is most dependent on remittances, which made up nearly 20 per cent of GDP in 2013. Other countries whose remittance receipts contribute more than 5 per cent of GDP include Lebanon (17.7%), Jordan (10.8%), Yemen (9.3%), Egypt (6.6%) and Morocco (6.6%) (World Bank, 2015b). Remittance outflows from Arab States come overwhelmingly from the Gulf States, led by Saudi Arabia and followed by the United Arab Emirates, Kuwait, Qatar and Oman.

69. Remittances play a significant role in national development in the Arab States, often exceeding the value of official development assistance. They are a key element in the economic strategies of receiving households, many of which rely on them to meet basic needs and build assets. Savings are

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4 Data for remittances as a share of GDP in 2013 are not available for Bahrain, Libya, Mauritania, State of Palestine, Syrian Arab Republic or United Arab Emirates.
invested in land acquisition, housing and subsequent incremental improvements and funds to start a commercial activity.

70. In the Mashreq, the Lebanese diaspora is estimated to be at least three times larger than the resident population. Its contributions have primarily been sought by businesses, social charitable organizations and international networks. Government engagement with the diaspora and efforts to tap into remittances remain limited and concentrated on knowledge transfer in different sectors, such as telecommunications. Regional initiatives have also emerged, such as the First Conference of Arab Expatriates organized by the League of Arab States in 2010. Hometown associations are generally leveraged in the Maghreb, particularly Morocco and Algeria, with international donor support to link expatriates with their villages of origin.

Figure 6
Migrant remittance inflows (in $ millions)

Source: World Bank, 2015b. No data for United Arab Emirates or Somalia; 2014 figures are an estimate.

Figure 7
Migrant remittance outflows (in $ millions)


71. In countries of origin, legal frameworks, ministries and central government agencies have been established to coordinate migration affairs and reach out to the diaspora to tap into investment and knowledge capital abroad for national and urban development projects. This sectoral response
highlights a need for further integration of migrant policies into national development policies. Egypt, Morocco and Tunisia have been leaders in establishing legal rights for their migrants abroad and mobilizing remittances for capital investment in the cities. The Long Live Egypt Fund, established in 2013, and the Moroccan MaghribBank, also established in 2013, have financially supported expatriate entrepreneurial projects in their respective countries and demonstrate ways in which countries can engage nationals living abroad to strengthen financial connections with the region.

G. Land and housing

72. The Arab region shares a common history of land tenure and registration systems and titling laws. Escalating land values and the rapid appreciation of buildings since the mid-1970s have led to today’s segmented land market and affect all aspects of urban policy. While political and business elites have managed to control large tracts of the most valuable and strategically located land since the 1990s, informal construction by middle-income groups squeezed out of formal land markets by high land values, have fuelled the spread of unplanned urbanization. In countries of origin such as Egypt, Jordan, Morocco, Tunisia and the Syrian Arab Republic, unplanned settlements are often financed through household remittance income. Widespread speculation characterizes both the formal and informal housing markets and has helped drive the physical expansion of many cities in the region.

73. In terms of urban expansion, land use per capita in the region is slightly more than half of the global average. Land use rose by around one-quarter between 1990 and 2015, increasing at a rate similar to other regions, but from a low baseline.

Table 3

Urban area, population, and land use per capita in 1990, 2000 and 2015 in 10 representative cities of the Arab region

<table>
<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Urban area (hectares)</th>
<th>Population</th>
<th>Land consumption per capita (square metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>Al Qayrawan</td>
<td>1 247</td>
<td>1 997</td>
<td>2 215</td>
</tr>
<tr>
<td>Egypt</td>
<td>Alexandria</td>
<td>11 486</td>
<td>19 930</td>
<td>31 732</td>
</tr>
<tr>
<td>Iraq</td>
<td>Baghdad</td>
<td>61 920</td>
<td>69 155</td>
<td>78 509</td>
</tr>
<tr>
<td>Egypt</td>
<td>Cairo</td>
<td>37 901</td>
<td>76 559</td>
<td>157 026</td>
</tr>
<tr>
<td>Morocco</td>
<td>Marrakech</td>
<td>5 395</td>
<td>8 307</td>
<td>14 638</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Riyadh</td>
<td>44 892</td>
<td>68 794</td>
<td>137 684</td>
</tr>
<tr>
<td>Yemen</td>
<td>Sana</td>
<td>13 188</td>
<td>16 540</td>
<td>36 729</td>
</tr>
<tr>
<td>Algeria</td>
<td>Tebessa</td>
<td>1 623</td>
<td>2 646</td>
<td>3 710</td>
</tr>
</tbody>
</table>

Source: UN-Habitat, 2016b.

74. One of the most critical land issues in the region aside from urban expansion, often on valuable agricultural land, is property registration and land titling. Registration of property transactions in the region is the second most cumbersome and expensive in the world after sub-Saharan Africa, taking an average of 36 days at a cost estimated at 5.7 per cent of the property value (World Bank, 2009 and 2010). Given the additional need to address the complex traditional primary and derivative rights to property and find all the heirs and holders of rights, it is not surprising that a large portion of properties in all countries in the region remain unregistered. Furthermore, successive transactions involving unregistered titles make ownership unclear. In post-revolution Tunisia, land can no longer be expropriated for a public purpose until both the local authorities and all the holders of rights to the property have agreed upon an appraised value. This procedure has become a major obstacle to the implementation of public projects in cities and need to be amended to facilitate planned city expansions that will contribute to sustainable urban development.

75. Despite efforts by all countries to reform their mortgage markets, a major impediment to financing property purchases is the fact that banks do not accept unregistered land as collateral, thereby limiting access to credit for lower-income households seeking to build assets. Microfinance institutions may be able to fill this gap, though the approach requires a stronger evidence base than is currently available in the region.

76. The methods of housing provision and access to land in Arab States have changed significantly in the last 20 years and have been disrupted in countries that have experienced turmoil and instability
since 2011. Given the age structure of the population, household formation rates and continued rural to urban migration, all countries in the region suffer from a shortage of affordable housing, thereby impeding the progressive enjoyment of the right to adequate housing. The high price of urban land, its rapid appreciation and limited supply in dense urban settlements is fundamental to many of the urban development challenges facing Arab cities today. Article 31 of the 2008 Arab Charter on Human Rights, ratified by 17 Arab States, guarantees equal ownership rights but traditional barriers still exist that impact land acquisition. For example, inheritance and land ownership by women is estimated to range from nearly 30 per cent in Jordan to less than 1 per cent in Oman (Food and Agriculture Organization of the United Nations (FAO), 2002).

77. Formal land and housing markets are encumbered by obsolete subdivision regulations, rent regulations, tenant protection laws and lengthy and unnecessarily complicated and costly registration and title-issuing procedures. Egypt’s particularly lengthy and cumbersome land registration procedures have been improved by reducing the registration fee from 12 per cent of the property’s value to a flat rate (UN-Habitat, 2012a). Most major cities in the region have introduced the digitization of records, electronic data processing and information management systems in land administration to alleviate some of these challenges.

78. Recent and ongoing conflicts have serious implications for formal registration of land and property. The Lebanese civil war destroyed property registration records, making the digitization and updating of property records a priority for the country’s economic and urban development (UN-Habitat, 2012a). Countries experiencing ongoing conflict often have outdated or ill-maintained records, a situation that could be exacerbated by the massive displacement these conflicts have caused, particularly since 2009.

79. In both stable and post-conflict countries, governments are struggling to keep pace with urbanization trends by opening up new development areas and building affordable housing. High urban land prices mean young families are priced out of many housing markets and forced to live with their parents or in crowded neighbourhoods where housing prices are lower. The top 20 per cent of income earners in North Africa fuel rapidly increasing land prices by purchasing land, villas and high-end apartments in elite neighbourhoods or new suburban districts.

Box 1: Experiences and challenges of new towns – Egypt and Morocco

New towns proliferated across the region throughout the 2000s, built by public and para-public agencies to alleviate some of the pressures on city centres and meet the increasing demand for housing. They have developed slowly, however, and current population estimates in Greater Cairo, for instance, show that their current population is only between 3 and 27 per cent of target (Tadamun, 2015). Their development is also changing the spatial distribution of urban land and creating rapidly appreciating land markets in and around the newly developed sites, particularly when they are accompanied by large infrastructure projects and service provision keeps pace with housing development to attract residents. In urban extension zones, new development areas and new towns in the Greater Cairo area, prices have doubled every two to three years. Transportation connections to these areas are generally lacking.

Four new towns are at various stages of construction by Al Omrane in Morocco: Tamansourt near Marrakech, Tamesna near Rabat-Salé, Sahel-Lakhiaiya near Casablanca and Chafrate near Tangiers (Al Omrane, 2013). Development in the new towns in Greater Cairo has been accelerating. From 2001 to 2008 they averaged 27.9 per cent growth. Over 50 per cent of the development currently taking place in the new towns of Greater Cairo is in New Cairo and 6th of October City/Sheikh Zayed, twin cities located along the same east-west axis, underscoring the importance of integrating new planned development into larger regional corridor strategies (General Organization for Physical Planning (GOPP), 2012). The highest priced land and housing is in New Cairo, where development was initiated by Egypt’s largest private real estate corporation, Orascom. Between 2004 and 2005, land prices in New Cairo quadrupled from LE 1,000 to LE 4,000 per square metre (Serageldin and others, 2010).

80. The second 20 per cent of income earners require access to housing finance at below market interest rates. These rates are often reserved for cooperatives and other groups that are willing or able to build and develop their own housing on allocated state-owned land earmarked for such groups by government. In practice, households form cooperatives in order to gain access to land rather than housing finance and the land acquired is often subdivided among cooperative members, which represents a break with the traditional principles of cooperatives. Countries with relatively stable investment climates, such as Egypt and Morocco, have attracted private investors to develop affordable housing on state-owned land granted at a subsidized price. Authorities in Egypt sell building plots on the open market in the New Towns and use the proceeds to finance the extension of infrastructure to these new areas. The least developed countries, on the other hand, have largely been unable to build the amount of affordable housing needed or to establish the conditions that would enable private sector involvement.
81. Urban conditions in some countries, such as post-war Lebanon, have further segmented the land and housing markets. The legislative, social, and cultural environment is conducive to fragmentation and the quest for security and improved service provision promotes urban separation between groups that can afford accommodation in gated communities and the services they provide and those that cannot. Lebanese housing stock has shifted dramatically towards gated communities, their proportion growing from 1 per cent of the market in 2000 to 10 per cent in 2010 (UN-Habitat, 2012a).

H. Informal settlements

82. The informal housing sector has consistently filled the gaps left by the private sector, which has primarily focused on meeting the demand for luxury to upper middle-income housing. A lack of affordable housing produced by low-income housing programmes also helps to perpetuate informal housing development. The structures and location of the informal settlements of the region are characterized by two different patterns: substandard or makeshift structures in central slums, hazardous and unsafe locations or peri-urban areas lacking access to basic services; and unplanned urban expansion mostly through the subdivision of agricultural land in violation of existing codes. This latter typology is characterized by solid construction in concrete and brick and a rectilinear layout emanating from the shape of fields and anticipating future infrastructure servicing by local authorities. However, the density of buildings in these settlements often makes it difficult to provide the basic urban services, such as sewerage, drainage, public space and public transportation, thus compromising the inhabitants’ right to adequate housing. A survey conducted in 2009 by Egypt’s Informal Settlements Development Fund drew a distinction between unsafe areas and unplanned areas and revealed that a total of 65 per cent of the urban area in Greater Cairo was occupied by informal settlements: 5 per cent in unsafe areas and 60 per cent in unplanned areas (Serageldin and others, forthcoming). This terminology used in Egypt and in other countries of the region to describe slums and informal settlements is to varying degrees in line with UN-Habitat definitions.6

83. Small-scale developers, real estate brokers, lawyers and accountants operate in these settlements, where land and property transactions are mostly through private sales documents that are rarely registered. Informal finance mechanisms are also used for both land acquisition and housing construction. In the State of Palestine, for instance, it is estimated that over 80 per cent of all financial transactions concerning housing are cash-based and go unreported except through private contracts (State of Palestine, 2014).

84. Despite considerable progress, the proliferation of slums and informal settlements has been a continued challenge in the Arab region, perpetuated by the high price of land, population movements and displacement, limited access to credit, cumbersome land transactions and tenure registration procedures and financial constraints on public management of land development. According to the United Nations Statistics Division, in 2014, the slum population in selected Arab countries accounted for from 8 to 92 per cent of the total (see table 4).

Table 4
Slum population as a percentage of urban population for selected Arab States (1990–2014)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Comoros</td>
<td>65.4</td>
<td>65.4</td>
<td>68.9</td>
<td>68.9</td>
<td>68.9</td>
<td>68.9</td>
<td>69.6</td>
</tr>
<tr>
<td>Egypt</td>
<td>50.2</td>
<td>39.2</td>
<td>28.1</td>
<td>17.1</td>
<td>14.4</td>
<td>13.1</td>
<td>10.6</td>
</tr>
<tr>
<td>Iraq</td>
<td>16.9</td>
<td>16.9</td>
<td>16.9</td>
<td>52.8</td>
<td>52.8</td>
<td>52.8</td>
<td>47.2</td>
</tr>
<tr>
<td>Jordan</td>
<td>15.8</td>
<td>17.7</td>
<td>19.6</td>
<td>12.9</td>
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<tr>
<td>Lebanon</td>
<td>53.1</td>
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<td></td>
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<tr>
<td>Mauritania</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>79.9</td>
</tr>
</tbody>
</table>

5 Unsafe areas are those where there are physical or health hazards or a risk of eviction, whereas unplanned areas are those that do not comply with planning and building laws (Khalifa, 2011).
6 UN-Habitat defines a slum as “an area that combines, to various extents, the following characteristics (restricted to the physical and legal characteristics of the settlement, and excluding the more difficult social dimensions): inadequate access to safe water, inadequate access to sanitation and other infrastructure, poor structural quality of housing, overcrowding, and insecure residential status”. Informal settlements are described as: (i) residential areas where a group of housing units has been constructed on land to which the occupants have no legal claim, or which they occupy illegally; (ii) unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing) (UN-Habitat, 2003).
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>37.4</td>
<td>35.2</td>
<td>24.2</td>
<td>13.1</td>
<td>13.1</td>
<td>13.1</td>
<td>13.1</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18.0</td>
</tr>
<tr>
<td>Somalia</td>
<td>73.5</td>
<td>73.6</td>
<td>73.6</td>
<td>73.6</td>
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<tr>
<td>Sudan</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>91.6</td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>10.5</td>
<td>22.5</td>
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<td>19.3</td>
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<tr>
<td>Tunisia</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Yemen</td>
<td>67.2</td>
<td>76.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60.8</td>
</tr>
</tbody>
</table>

Source: United Nations Statistics Division, 2015 (includes all Arab States for which data are available).

85. Arab least developed countries have the highest proportion of their urban populations living in slums and informal settlements, with 60.8 per cent in Yemen, 69.6 per cent in the Comoros, 73.6 per cent in Somalia and 91.6 per cent in Sudan, as of 2014. Mauritania is the only other country with over half of the urban population living in slums and informal settlements (79.9%) (United Nations Statistics Division, 2015). Several governments, however, have tackled these persistent challenges in the last two decades with targeted policies, programmes and implementation mechanisms to improve the urban environment in low-income communities and expand affordable housing development. Most countries have prioritized the construction of affordable housing in their urban policies and programmes, though challenges persist for public and private provision in terms of availability and affordability of urban land and access to housing finance for developers and potential homeowners (UN-Habitat, 2012a).

86. The presence of Syrian refugees in Jordan and Lebanon has dramatically increased demand for already limited stocks of affordable housing. In Jordan, the reported average annual shortfall of 3,400 housing units has been compounded by the need for an additional 120,000 housing units to accommodate Syrian refugees, according to the country’s Response Plan for the Syria Crisis. Assistance in local community settings has focused on upgrading housing units, completing unfinished buildings, providing harsh weather kits and conditional cash-for-rent programmes in various cities, including Irbid, Jerash, Mafraq, Zarqa, Ajlun, Al Balqa, Amman, Tafileh, Karak and Madaba. The shock of the Syrian refugee crisis has acted as a catalyst for institutional reforms, such as a review and revision of the National Housing Policy and the revitalization of the Housing and Urban Development Corporation (Jordan, 2015).

87. In the Syrian Arab Republic, large proportions of the population in certain governorates lived in slums and informal settlements before the war: 85 per cent of the population of Hasakeh, 74 per cent in Raqqa and 59 per cent in Homs. Smaller proportions lived in informal areas in the economic centres of Aleppo and Damascus (17 per cent and 15 per cent respectively). In terms of their share of urban land, 18 per cent of the total area of Aleppo consisted of informal settlements, concentrated primarily in the northeast around the Sheikh Najjar industrial zone (Ali, 2005). All countries that have experienced turmoil since 2011 have witnessed an increase in informal settlements due to the breakdown in enforcement by overwhelmed local authorities and the stalling of formal investment in urban projects.

88. In Egypt, Jordan and the State of Palestine specific urban policies implemented by dedicated central agencies address the provision of affordable housing. Since its creation in 1991, the not-for-profit and primarily donor-funded Palestinian Housing Council has made significant contributions to the rehabilitation, reconstruction and provision of housing units and apartments in the West Bank, Gaza and East Jerusalem, earning it the Dubai International Award for Best Practices in 2008 (State of Palestine, 2014).

89. Egypt’s Informal Settlements Development Fund, established in 2009, extends credit to local government to finance the upgrading of informal settlements. Its survey of informal settlements and classification of sites led to a clear action plan, implementation of which has affected nearly one million urban residents. In addition to reblocking and in-situ upgrading, the Fund has advocated land allocations and social housing units in new towns for relocation. The Fund still faces challenges to remain financially sustainable and develop a manageable legal framework for complex land transactions. Tackling informal settlements in conflict situations is hampered by political instability and security concerns but Iraq has started to develop policies to meet the challenge in the larger cities.

90. Morocco and Tunisia stand out for the efficiency of their national programmes to upgrade and provide affordable housing and decrease the urban population living in slums and informal.
settlements. In Morocco, between 1995 and 2014, the proportion of the urban population living in slums decreased from 35 per cent to 13 per cent, due in large part to the ability to engage the private sector and increased access to credit for low-income households (United Nations Statistics Division, 2015).

91. Morocco’s experience dealing with rapid urbanization and the resultant expansion of informal settlements transformed 52 of 85 targeted cities into cities without slums as of early 2015 through the national programme Villes sans Bidonvilles, implemented primarily by the holding company Al Omrane. Established in 2004, Al Omrane integrates the functions previously vested in three different government agencies (Agence Nationale de Lutte Contre l’Habitat Insalubre (ANHI), the agency in charge of resettling slum-dwellers; the Attacharouk Co., a public developer of large real estate projects; and Société nationale d’équipement et de construction, a public engineering and contracting company) to implement the Government’s national housing and urban planning policies (UN-Habitat, 2012a). Al Omrane’s work can be divided into four main categories: building low-cost social housing; rehousing bidonville and shack dwellers (for the Cities without Slums programme); housing construction in the south of the country; and the development of new towns (Al Omrane, 2015).

Box 2: Slum upgrading by Tunisia’s Agence de Réhabilitation et de Rénovation Urbaine (ARRU)

Prior to 2011, Tunisia had outstanding success in slum upgrading, managing to eliminate slums throughout the country. The Agence de Réhabilitation et de Rénovation Urbaine is one of the oldest public enterprises mandated to improve the living conditions of the urban poor in the Arab world through improvement, rather than resettlement. Established in 1981, it coordinates and cooperates with other public agencies, including local authorities, to offer loans for housing construction and improvements, renovate older neighbourhoods, regularize informal settlements on the urban periphery, and provide basic services such as water, sanitation, and schools. Its funding comes from the National Solidarity Fund (about 65%), the Housing Fund, national Government, and the private sector (UN-Habitat, 2012a).

From 2002 to 2009, the agency’s urban projects affected over 1.1 million people at a cost of over $72 million (UN-Habitat, 2012a). In 2012, it launched a new programme to rehabilitate and integrate 83,000 homes in 73 residential areas, affecting approximately 430,000 inhabitants. More recently, the agency has focused on integrating various marginalized neighbourhoods into the urban fabric through service provision projects and housing rehabilitation in order to reduce urban disparities. Its task has been vastly increased by the proliferation of informal settlements around Tunis and other key cities in the aftermath of the 2011 turmoil and civil unrest.

92. Between 2004 and 2011, Al Omrane produced 1,138,627 housing units. Affordable housing is cross-subsidized by the construction and sale of market rate housing for middle and high income households. In 2010, of 107,400 units produced, 33,000 were low-cost units, 37,200 were affordable units for moderate-income households, and the remaining 37,200 were for sale at market rates. According to the Ministry of Housing and Urban Policy, over 200,000 households had benefited from the programme by mid-2015. In addition to measuring success in terms of physical work, the programme includes significant citizen participation and resettlement options that meet various housing needs, such as those of single-parent families, particularly divorced or widowed women. The most vulnerable slum dwellers benefit from a further programme component that enhanced access to services, provided some social protection, and opened up opportunities to income-generating activities near the new settlements.

93. The Agence Nationale de l’Amélioration et du Développement du Logement in Algeria was established in 1991 to build affordable housing for salaried worker households. In 2001 it was mandated to undertake a programme to lease housing to low-income households. It has spearheaded Algeria’s slum upgrading activities, which have been concentrated in five governorates (Oran, Constantine, Skikda, Annaba and Guelma) and affected 55,000 people (Algeria, Agence Nationale de l’Amélioration et du Développement du Logement, 2015). A national census of unsafe and inadequate housing in 2007 identified over 500,000 dwellings. The situation is primarily being addressed through the construction of new public rental housing, but also by upgrading and renovating existing units (Algeria, 2014).

94. Mauritania lacks the resources to meet the demands of a significant ecomigration to its main cities since the droughts of the 1970s and 1980s. The Twizé programme, implemented by the Commissariat aux Droits de l’Homme, à la Lutte contre la Pauvreté et l’Insertion, prioritized several of the approaches advocated in the Habitat Agenda, such as regularized land tenure, microcredit for housing finance and capacity-building of microenterprises for community members. However, the programme did not manage to establish financial sustainability and, when World Bank funding ended, rising costs of materials and construction brought it to an end. Nevertheless, the programme mobilized citizens, demonstrated the structure of partnership between diverse actors and constructed 6,500 houses by the time it closed in 2008.
95. Much of the success of the programmes to reduce the population living in unplanned settlements in the Maghreb is the result of cross-subsidization. Technical assistance and the support of United Nations agencies and the development community have fostered the adoption of multi-stakeholder partnerships. Assistance to the social housing sector has enabled the private sector to play an increasing role in the provision of housing for the middle classes. The more active role of the private sector remains concentrated in housing for higher-income households and commercial real estate development.

96. In the Gulf Cooperation Council, slums and informal settlements are found in only a few gateway cities. Jeddah has experienced rapid population growth and spatial expansion, which, combined with an inadequate supply of affordable housing and loosely enforced development regulations, resulted in 35 per cent of the city’s residents living in informal settlements in 2009.

97. The Jeddah Strategic Plan 2009 addresses unplanned settlements and recognizes both the social importance of such areas and the public health and security issues they raise for the municipality. An institutional response began in 2007 with the establishment of the public enterprise Jeddah Development and Urban Regeneration Company (JDURC) and the Jeddah without Slums programme. The company’s mandate includes slum clearance, developing sustainable housing solutions and establishing public-private partnerships and special purpose vehicles to construct and manage sustainable shelter solutions (JDURC, 2015). To prepare for a projected population of 5.7 million by 2029, the Strategic Plan calls for the construction of 950,500 housing units, 685,000 of them affordable for lower- and middle-income groups, in an effort to reduce informal urbanization and precarious housing (UN-Habitat, 2012a).

98. City-states on the Arab peninsula face urban development challenges associated with low-cost housing shortages and poor living conditions brought about by an influx of expatriate labour. Kuwait, however, has successfully diversified its rental market to accommodate the needs of expatriate workers who cannot legally own houses.

99. Informal settlements in the region’s least developed countries are characterized by limited land administration and management capacity, with various implications for territorial development and human welfare or well-being. Khartoum is one of the few cities in this subgroup adopting an approach to regularizing, improving, or providing adequate housing for people living in informal settlements or former internally displaced person camps. The Dar Al-Salam concept, a sites and services scheme which attempted to reverse the negative outcomes of slum eradication practices in the 1970s and 1980s, has secured tenure for over 250,000 households and has been replicated across Khartoum (UN-Habitat, 2012). This process has, however, accelerated unmitigated migration in and around the city and resulted in peri-urban sprawl.

100. The World Bank has made recommendations to Yemen for in-situ upgrading of its slum settlements instead of the more expensive resettlement alternative, though tenure issues inhibit the implementation of either strategy. In Yemen, 90 per cent of land ownership is informal or lacking any legally recognized tenure (Dabbas and Burns, 2011). The current conflict has exacerbated the situation. Complicated titling and registration processes that combine traditional systems with modern registration laws in the region’s least developed countries and some other Arab States will require reform if housing strategies in the region are to be effective in providing adequate housing for the population and achieving the goals set by the Global Housing Strategy 2025. (UN-Habitat, 2012b)

I. Policy considerations

- Given the Arab region’s youthful demographics, urban policies must recognize and support youth as development partners and integrate youth concerns into local, national and regional development frameworks. Priority should be given to establishing environments conducive to decent and productive job creation, the provision of adequate and affordable housing and equitable access to urban services.

- Regional and national economic growth management strategies, and in particular national urbanization policies, should explicitly address access to adequate housing, regularization of informal settlements, upgrading slums and improving infrastructure, basic urban services and access to decent and productive employment.

- To avoid urban segregation, exclusion and marginalization, strategies in the region should be directed towards treating displaced persons in an equitable fashion so as to reduce the stigma and animosity between them and host communities. Housing and employment programmes should have mutual benefits and be designed to leverage the opportunities and added value presented by these populations. As governments and humanitarian and United Nations agencies work to cope with the consequences of displacement beyond the temporary shelter
solutions of the camps, inter-agency and multi-stakeholder coordination will be necessary to ensure that humanitarian responses are compatible with local urban development objectives and United Nations standards and that the opportunities presented to and by these populations are utilized.

- Innovative policies and programmes should be explored to assist refugees until return to their home countries is possible. Linking their skills and productive capacities to the formal economies of host countries through inclusive local economic development initiatives and job creation to enhance productivity and eradicate labour practices that violate human rights, including child labour, should eventually be sought. These innovative policies and measures should be aimed at improving the livelihoods and lives of both the refugees and the citizens of host countries.

- Reconciliation and reconstruction of urban centres are a development priority if adequate housing, basic urban services and livelihood opportunities are to be provided for those affected by war, occupation, civil strife and natural disasters.

- The reform of land titling and registration mechanisms should tackle fragmented and unregulated urbanization in order to promote compact, inclusive cities and prevent the further expansion of unplanned urban settlements on valuable agricultural land, recognizing the inextricable links between food, energy and water.

- The collection and management of disaggregated housing and urbanization data must be improved as part of the effort to monitor progress towards achieving the Sustainable Development Goals and implementation of the New Urban Agenda.

- A nexus approach to urban settings may be a more effective approach to the urban-rural dynamic since policies and investments in one area may have direct implications in another. Efforts to integrate management and governance across sectors and scales help stakeholders move beyond conventional policymaking and decision-making in silos and lead to an approach that manages trade-offs and builds the overall resilience of development through synergies across thematic areas by addressing the challenges of human development and urban development simultaneously.

- Regional platforms and mechanisms are vital for coordinating and monitoring the implementation of housing and sustainable urbanization strategies in the Arab region. Regional organizations and entities can play an important role in fostering inclusive urban development policies in the region. The Arab Ministerial Forum for Housing and Urban Development mechanism is vital in this regard and efforts should be made to strengthen it at the regional and country levels in order to monitor housing and sustainable urban development priorities in the Arab region in the context of the sustainable development goals and the New Urban Agenda.

### IV. Urbanization and the economy

101. Cities are the main generators of national wealth in the non-oil producing countries of the Arab world. They provide the employment opportunities that attract young people, rural migrants and, in the case of the Gulf Cooperation Council, skilled labour from other Arab States and unskilled expatriate workers from other parts of the world, primarily South-East Asia. All Arab governments recognize their importance as a laboratory for innovation, a magnet for investment and a source of job creation. Opportunities to create new forms of production and new partnerships through economies of scale, agglomeration and the concentration of skilled labour in cities can spur economic growth and development. They have become the main engines of economic development and are key to reducing the proportion of people living in poverty. In recent years, they have also become the primary destination of refugees and the internally displaced fleeing conflict.

102. Most governments have made a concerted effort to harness their economic potential as part of their national spatial strategies. They have recognized the need to decongest large metropolitan agglomerations by developing secondary cities, creating new towns and planned urban extensions, including new development corridors. Arab countries acknowledge the importance of fostering the diversification of national development policies in order to reduce regional and urban disparities and harness the economic potential of cities as part of national economies. This includes the promotion of economic development in secondary cities, new towns and development corridors, thereby strengthening connectivity between primary and secondary cities and urban-rural and territorial linkages.
103. While the recent economic growth rates of the Arab countries have tended to exceed the global average, they have varied significantly across the region as a result of the Second Gulf War (2003) and, more recently, internal civil strife, protracted occupation, conflicts in Libya, the Syrian Arab Republic and Yemen and increasing regional political instability. Yet, despite recurring armed conflict and civil disturbances, most countries in the region have achieved significant economic gains since the turn of the millennium. With the exception of Iraq, Libya, the Syrian Arab Republic and Yemen, all of which have experienced a fall in GDP per capita as a result of armed conflict, all the countries in the Maghreb and Mashreq regions have shown steady gains in GDP since 2000, Djibouti, Jordan, Morocco, and Sudan having the most significant gains. Among the Gulf Cooperation Council countries, all except the United Arab Emirates experienced impressive gains, Qatar and Kuwait achieving the highest: 531 per cent and 321 per cent respectively (World Bank, 2015a).

104. GDP growth in the non-oil producing countries of the region has been moderately low, hovering around 2 per cent over the past decade and, according to World Bank estimates, has been primarily driven by demographic and structural change. While the increase in the share of the working age population has contributed 50 per cent of aggregate GDP per capita over the last 20 years, unemployment rates remain high (World Bank, 2015a). The urban-based informal economy has absorbed many of those entering the labour force, especially women, in small-scale, low productivity activities that escape labour law. For example, in Greater Cairo it is estimated that the informal economy absorbs over half of the city’s labour force (Serageldin and others, forthcoming). In Morocco, a 2007 survey by the Higher Planning Council found that 69.8 per cent of informal activities are in urban areas (Morocco, 2014). Data compiled by the Organization for Economic Cooperation and Development (OECD) showed that, between 2000 and 2007, the share of informal employment in total non-agricultural employment in Lebanon, the State of Palestine, and the Syrian Arab Republic was 43.5 per cent, 43.4 per cent and 30.7 per cent respectively. Informal economic activities (excluding agriculture) in the North African countries of Algeria, Egypt and Tunisia were estimated to account for an average of 25 per cent of GDP during the same period (OECD, 2009). Job growth is concentrated in start-up and microenterprises (a large proportion of which are informal in many countries) with less than five employees, who are often unpaid family members. For example, they accounted for 9 per cent of job creation in Tunisia between 1996 and 2010 and 77 per cent in Lebanon between 2005 and 2010 (World Bank, 2015a).

105. This has resulted in many Arab States being unable to provide employment to large sections of their populations, especially educated young people and women. Rectifying the mismatch between the educational qualifications of young university graduates and existing opportunities in the economy has become a strategic objective for most countries as popular demand calls for jobs, a living wage and curbing the high price of food, energy and housing.

106. Local producers and firms producing for the domestic market continue to face public control of critical links in the supply chain and cumbersome bureaucratic regulations that constitute a significant deterrent for small entrepreneurs wishing to start businesses. In 2014, the World Bank estimated that, in Tunisia, the cost of compliance with the regulatory framework was equivalent to a tax on local businesses amounting to 13 per cent of revenue, while the cost of investment incentives stood at 2 per cent of GDP.\footnote{World Bank, “The unfinished revolution”, Development Policy Review, May 2014.} Except for textiles and apparel, most manufacturing in Maghreb and Mashreq countries consists primarily of the assembly of imported intermediate goods, mostly from European partners, including parts for high technology products, and ingredients for medicines produced under licence by local pharmaceutical companies.
Past economic policies have also contributed to increasing regional and urban disparities by concentrating industrial activities, including wholesale distribution, in the larger cities where the bulk of the domestic market is located, a key consideration for firms producing for the domestic market, and in gateway cities for firms producing goods for export. Continued emphasis on attracting foreign direct investment has reinforced the dominance of capital cities, coastal regions (as in Tunisia) and port cities, such as Alexandria, Port Said and Suez in Egypt, Casablanca in Morocco, Aleppo (the Syrian Arab Republic’s dominant economic centre prior to the civil war) and Jeddah in Saudi Arabia.

While still a significant current contributor to GDP in the Comoros (36%), Sudan (33%), the Syrian Arab Republic (18% in 2007), Morocco (15%) and Egypt (14%), agriculture has been a declining sector in all Arab economies, while the urban-based industrial and service sectors now account for an increasing proportion of GDP. Services are still the major contributor to the economy in the Maghreb (50%) and the Mashreq (60%), while the bulk of urban employment in the Gulf Cooperation Council countries is in the service sector (World Bank, 2015a).

Even though the economies of the Gulf Cooperation Council countries continue to be driven by the exploitation of their oil resources, several have initiated new strategies to diversify their economic base through development of the knowledge economy. In Saudi Arabia, for example, the non-oil manufacturing sector’s share of GDP grew from 12.7 per cent in 2005–2009 to 14 per cent in 2014. In Algeria, Morocco and Tunisia, economic diversification policies have emphasized the development of manufacturing, which now accounts for 25 per cent or more of GDP. The growth of modern health services in some countries also tends to diversify their economies (World Bank, 2015a).

In Algeria, the Government has actively promoted urban microenterprises that, between 2010 and 2013, are estimated to have created more than 530,000 jobs in industry, tourism and crafts. The emphasis of the programme has been on the development of small and medium enterprises as part of the policy to create employment for young people, particularly graduates of secondary schools and universities.

In Egypt, the Social Fund for Development, a national agency, provides technical and financial support for the creation of small and microenterprises in the major cities. Its activities, financed by the World Bank and bilateral donors, have become an integral part of major urban rehabilitation interventions in the Greater Cairo area and in other major cities.

Inspired by the Egyptian model, Yemen’s Social Fund for Development, established in 1997, builds the capacity of poor communities and local partners to implement development projects aimed at reducing poverty. Programmes to develop communities, small and microenterprises, local authority capacity and a labour-intensive works programme had reached 3,700 urban neighbourhoods by 2012 (Al-Iryani and others 2015).

In Jordan, with support from the European Union and other donors, the Government is pursuing implementation of a national strategy to strengthen the microfinance sector and reforms to improve the competitiveness of small and microenterprises. With support from the Arab Fund for Economic and Social Development and the World Bank, it has instituted a programme to enable local banks to provide microfinancing at competitive rates to small and medium-sized enterprises.
110. All governments in the region have emphasized the need to create jobs, particularly for young entrants to the labour force. The major economic drivers have been the construction and service sectors, followed by small and microenterprises that have become growing contributors to urban employment.

111. In Sudan, the States, as the largest landowners, have played an active role in promoting the development of urban industrial zones and microcredit to “productive families” operating a home-based economic activity. In the State of Palestine, job creation has been largely restricted to unskilled occupations in the construction and service industries.

112. Both Morocco and Saudi Arabia have achieved a high level of integration of the urban economy in their national development policies. In Morocco, the upgrading of the urban environment has been an integral part of the national development policy since 2005. The strengthening and modernization of infrastructure, including intercity transport, improved access to information and communications technologies and providing credit to an estimated 1.5 million small and microenterprises, 69.8 per cent of which are located in urban areas, are part of an effort to integrate them in the formal sector. The National Initiative for Human Development has funded over 6,000 income-generating activities in urban areas to increase employment in the commercial and service sectors; it also supports heritage preservation activities and handicrafts.

113. In 2009, the Saudi Council of Ministers adopted an ambitious employment strategy to diversify the national economy, correct structural imbalances and improve the productivity of Saudi nationals in emerging sectors of the economy. A key element of the strategy is the integration of the urban economy in the national development policy. The successive five-year development plans to manage macro and sectoral objectives now include a national spatial strategy with explicit policies for national, regional and local growth centres that integrate economic development in spatial urban plans.

114. In Jordan and Lebanon (and in the Syrian Arab Republic prior to the civil war), economic diversification policies have emphasized the development of manufacturing and the diversification of their economic base through the development of the knowledge economy, information and communications technology poles and business services. The contribution of industrial activities to GDP in these countries has risen to nearly 30 per cent, while it has remained at around 15 per cent in Egypt, as table 5 indicates.

Table 5

| Value added by industry and services, 2010–2014 (percentage of GDP) |
|------------------|------------------|------------------|------------------|------------------|------------------|
|                  | Algeria | Libya | Morocco | Mauritanian | Tunisia c         |
| Industry         | 47.1    | -     | 23.4    | 40.9        | 31.1             |
| Services         | 42.9    | -     | 55.9    | 37.8        | 60.8             |
| Egypt            |         |       |         |             |                  |
| Industry         | 14.5    | -     | 30.0    | 24.8        | 24.1             |
| Services         | 45.6    | -     | 66.4    | 69.7        | 69.3             |
| Iraq             |         |       |         |             |                  |
| Industry         | 61.0    | 68.6  | -       | 56.9        | 54.9             |
| Services         | 38.5    | 30.1  | -       | 41.1        | 44.2             |
| Jordan           |         |       |         |             |                  |
| Industry         | 45.7    | 61.0  | 68.6    | -           | 56.9             |
| Services         | 53.3    | 38.5  | 30.1    | -           | 41.1             |
| Lebanon          |         |       |         |             |                  |
| Industry         | 11.8    | 16.4  | 20.4    | 48.95 d     |                  |
| Services         | 52.6    | 80.1  | 50.4    | 40.46 d     |                  |
| State of Palestine |    |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Syria Arab Republic a |    |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Bahrain b        |         |       |         |             |                  |
| Industry         | 45.7    | 61.0  | 68.6    | -           | 56.9             |
| Services         | 53.3    | 38.5  | 30.1    | -           | 41.1             |
| Kuwait c         |         |       |         |             |                  |
| Industry         | 61.0    | 68.6  | -       | 56.9        | 54.9             |
| Services         | 38.5    | 30.1  | -       | 41.1        | 44.2             |
| Oman             |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Qatar            |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Saudi Arabia     |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| UAE e            |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Comoros d        |         |       |         |             |                  |
| Industry         | 11.8    | 16.4  | 20.4    | 48.99 d     |                  |
| Services         | 52.6    | 80.1  | 50.4    | 40.46 d     |                  |
| Djibouti d       |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Sudan            |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |
| Yemen            |         |       |         |             |                  |
| Industry         |         |       |         |             |                  |
| Services         |         |       |         |             |                  |


115. Economic activities, employment opportunities and wealth are increasingly concentrated in one or more dominant cities. In Egypt, Greater Cairo accounts for 51 per cent of the urban population, nearly one third of GNP, 25 per cent of the employed labour force and 40 per cent of industrial establishments (GOPP and World Bank, 2014). In Sudan, the urban-based industrial and service
sectors contribute 33.6 per cent and 39 per cent of national GDP respectively; in 2008, 75 per cent of all manufacturing firms and 85 per cent of all service firms in Sudan were in Khartoum, the country’s economic engine (World Bank, 2009b). In Tunisia, 59 per cent of the population lives in the Greater Tunis region. In Jordan, Amman’s share of the urban population has grown from 25 per cent in 1990 to 42 per cent in 2014.

116. In the Gulf Cooperation Council countries, the desert environment means that virtually the whole population lives in urban areas. In Saudi Arabia, with an urbanization rate of 83 per cent, 38 per cent of the urban population lives in the two largest cities, Riyadh and Jeddah. In Lebanon, 44 per cent of the total population lives in Greater Beirut. Moroccan cities accounted for 58 per cent of the population in 2014 and generated 75 per cent of GDP in 2010.

117. Many of the region’s governments are seeking to decrease the resulting development pressures on a limited number of urban agglomerations by promoting the spatial balancing of economic development through establishing peripheral industrial zones, new towns and development corridors connecting existing growth nodes to backward regions to improve their access to jobs and services, promote their economic development and reduce regional disparities.

Table 6
Urban population (millions), 1990 and 2014

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Libya</th>
<th>Morocco</th>
<th>Mauritania</th>
<th>Tunisia</th>
</tr>
</thead>
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<td>4.0</td>
<td>14.0</td>
<td>.4</td>
<td>4.7</td>
</tr>
<tr>
<td>2014</td>
<td>27.3</td>
<td>4.9</td>
<td>20.2</td>
<td>2.4</td>
<td>7.3</td>
</tr>
<tr>
<td>% in principal city</td>
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<td>18%</td>
<td>56%</td>
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<th>Jordan</th>
<th>Lebanon</th>
<th>State of Palestine</th>
<th>Syrian Arab Republic</th>
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<tbody>
<tr>
<td>1990</td>
<td>26.7</td>
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<td>2.2</td>
<td>1.5</td>
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<td>2014</td>
<td>38.6</td>
<td>24.1</td>
<td>5.5</td>
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<td>12.6</td>
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<td>% in principal city</td>
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<td>-</td>
<td>12%</td>
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<thead>
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<th>Oman</th>
<th>Qatar</th>
<th>Saudi Arabia</th>
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<tr>
<td>1990</td>
<td>4</td>
<td>2.1</td>
<td>1.2</td>
<td>.4</td>
<td>12.4</td>
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</tr>
<tr>
<td>2014</td>
<td>8</td>
<td>3.3</td>
<td>2.4</td>
<td>1.6</td>
<td>28.9</td>
<td>9.1</td>
</tr>
<tr>
<td>% in principal city</td>
<td>n.a.</td>
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<th>Comoros</th>
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<td>1990</td>
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<td>2014</td>
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a Riyadh and Jeddah
b 2005 data


118. For example, the recently adopted Egypt 2052 Vision consolidates the country’s seven development regions into four economic clusters as part of an effort to balance development across Egypt and relieve the development pressures on Greater Cairo and Alexandria, the country’s main economic drivers. The focus on the Suez Canal economic zone to balance the dominance of the Greater Cairo region capitalizes on the importance of the canal as an international transport artery and benefits from the presence of the two gateway cities — Port Said and Suez. This ambitious project will require close to 30 years to reach its predicted full development potential.

119. In Morocco, where three cities – Casablanca, Rabat-Salé and Tangiers – account for 80 per cent of the country’s economic activity, the Government’s 2012 Politique de la Ville Référentiel has been actively promoting the construction of new towns in selected development corridors to achieve improved urban spatial balance

120. Remittances from expatriate workers in the Gulf Cooperation Council countries and the European Union have been a significant factor in the region’s urbanization. The Gulf Cooperation Council countries are one of the world’s top remittance-generating areas as they provide employment for many expatriate workers, including unskilled labourers, and remittances, through both formal and informal channels, represent a significant proportion of GDP, particularly in Egypt (the sixth largest recipient of remittances in the world), but also in Jordan, Lebanon, Morocco and Tunisia. Remittances have risen from $4.3 billion in 1995 to $19.6 billion in 2014 in Egypt; from $2 billion in 1995 to $5.4 billion in 2010 in Morocco; and from $499 million in 1995 to $3.5 billion in 2010 in Jordan.
Largely invested in housing, these remittances have fuelled the urban real estate market, including the development of informal settlements.

121. In order to shift economic growth to secondary cities, Saudi Arabia is improving the infrastructure of Asir, Hail, Hofuf, Medina, Tabuk, and Taif. It is also investing in the development of new towns. The Knowledge Economic City in Medina (to be completed by 2016-18) will focus on developing commercial expertise, supported by a range of commercial and cultural complexes. The King Abdullah Economic City north of Jeddah and Jizan Economic City, to be completed by 2020, focus on heavy industries, biotech and pharmaceuticals. In Ha’il, Prince Abdul Aziz Bin Mousaed Economic City will become a transport and logistics hub. All are scheduled for completion in 2016. Plans for two other economic cities, in Tabuk and in the Eastern Provinces, are currently under development. The challenge is to educate and train unemployed youth to qualify them for employment in a private sector-led, highly competitive market.

Figure 93
Youth unemployment rate by region (1995–2014)


122. According to International Labour Organization models, in 2014, the Maghreb and Mashreq countries had the highest youth unemployment rates of any regions in the world. Urbanization in the Arab States has led to greater access to health and education and a sharp rise in the educational achievements of young people. One of the major issues faced by the Arab region over the last 20 years has been the creation of jobs for those entering the labour force. All countries have faced the challenge of providing employment opportunities for one of the largest youth cohorts in the world.
Youth unemployment in Mashreq and Maghreb countries (percentage of 15–24 age group, by sex)

Figure 1

Unemployment rates in selected Arab countries by educational level, 15–24 age group, 2005–2010


123. Between 18 and 32 per cent of people with a tertiary education are unemployed in Algeria, Morocco and Tunisia, 34 per cent in Jordan and nearly 40 per cent in Egypt. The increasing inverse correlation between educational achievement and employment is particularly troublesome for young people entering the labour force. It underlines the need to achieve a better match between the demand for specific skills in emerging economic sectors (information technology, for example) and the training available in local universities. For example, although Egypt has one of the best tertiary education systems in the Arab world, 44.6 per cent of university graduates under the age of 30 are unemployed, as opposed to 35.6 per cent of the age group as a whole and 31 per cent of all university graduates (World Bank, 2015a).

124. Considerable expenditure on the education system has resulted in an impressive increase in the level of educational achievement in most countries, but young people, particularly women, are finding it increasingly difficult to find employment at home or abroad that matches their educational qualifications. Women have been the major beneficiaries of various social programmes in Algeria, including small interest-free loans from the National Microcredit Management Agency to launch economic activities (accounting for 61.3 per cent of beneficiaries) and a graduate integration
programme for first-time job seekers (between 1999 and 2013, 66.6 per cent of the job seekers in the programme were women) (Algeria, 2014).

125. While the departure of educated young people is not a new phenomenon, the cumulative impact of changes in the global economy, technological innovation and growing restrictions on movement to the European Union, North America and the Gulf Cooperation Council countries is emphasizing this mismatch between the skills provided by the education system and those required by the local labour market.

126. Some countries are starting to make significant progress in improving coordination between economic development strategies and the output of the education system. In Morocco, where the 15–34 age group represents over one third of the population and has an unemployment rate nearly twice the national rate, the Government has played an active role in three programmes targeting young people: the Idmaj programme provides internships to young graduates to help them find a job matching their skills; the Taehil programme provides them with supplementary skills to match the demands of the job market; and the Moukawalati programme assists young entrepreneurs starting a new business. Between 2006 and 2014, the Idmaj programme integrated over 416,000 job seekers in the labour market, while the Moukawalati programme provided assistance to 31,400 entrepreneurs in the creation of some 5,650 small businesses generating 15,708 jobs. Start-up culture in metropolitan areas such as Amman, Beirut and Cairo, is an emerging sector in the Arab world, creating an environment that supports young entrepreneurs and innovators.

127. While still low, the labour force participation rate for women has made substantial progress but there is a growing mismatch between female employment and women’s rising educational achievements. In Egypt, 42 per cent of females with a tertiary education are unemployed, as opposed to 39 per cent of males; in Morocco, 33 per cent of females with a tertiary education and 16 per cent of males are unemployed.

**Policy considerations**

- Foster the diversification of national development policies to address regional and urban disparities and harness the economic potential of cities as part of national economies. Promote broad-based and inclusive economic growth for a rapidly growing urban population and, in particular, leverage the potential presented by a young and increasingly well-educated population.

- Promote economic development in secondary cities, new towns and development corridors to achieve a greater development balance at the national and regional levels and extend economic benefits beyond the current dominant urban centres. Strengthen connectivity between primary and secondary cities and within cities. Foster efficient and sustainable transportation and urban mobility networks.

- Finance and manage the infrastructure and basic urban services required to support existing populations and accommodate future urban growth.

- Address the significant youth unemployment challenge in the Arab region, taking into consideration the need to match the education and vocational training systems with productive employment opportunities. Strengthen employment opportunities for women as a priority in order to achieve gender equality in the Arab region.

- Advance innovative approaches to leverage remittances and enhance their contribution to inclusive, sustainable, resilient and safe urbanization in the Arab region.

- Recognize reconstruction processes that seek to strengthen urban economies as opportunities to build more inclusive, resilient, safe and sustainable cities.

- In the short term, promote and foster the construction of affordable urban housing in existing cities and tackle soaring land prices and high rents, which are pushing young families out of the housing market and forcing them to live with relatives or in crowded neighbourhoods where housing prices are lower or in informal settlements.

**V. Urbanization and social equity**

128. The 2014 Arab High Level Forum on Sustainable Development recognized that many Arab countries had neglected issues of equality and social protection in pursuit of attaining the Millennium Development Goals. The findings of the 2010 and 2013 Arab Reports on the Millennium Development Goals found that measurements of inequality had hardly changed in the previous 20 years, with the
Gini coefficient showing an index of 34.3 in the 1990s and 34.7 in the 2000s. Jordan and Mauritania made progress in reducing income inequality while the Arab least developed countries recorded average increases (United Nations and League of Arab States, 2013). Social and economic inequity is highly visible in the Arab region’s cities, where the widening gap between different sectors of the population is reducing the chances of equal access to adequate housing, basic services, and income-generating employment.

Figure 12
Share of income or consumption by population quintile for selected Arab countries (latest available)

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<tr>
<th>Country</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
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<td>Yemen</td>
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129. The Arab States have made some progress towards achieving the Millennium Development Goals on reducing extreme poverty. Since 2010 and the conflicts that followed, however, other poverty levels have increased (ESCWA, 2014). The incidence of poverty according to national poverty lines averaged 22.7 per cent in 1990 and rose to 23.4 per cent in 2012 (United Nations and League of Arab States, 2013). Social protection policies, and particularly the introduction of a social protection floor aimed at reducing poverty and inequality, are therefore a critical component that needs to be considered in the implementation of the New Urban Agenda for this region.

130. The spread of turmoil in recent years in some countries of the region demonstrated the contribution of social exclusion to political unrest. With security as a priority criterion conditioning location choice, spatial segregation and social homogenization within cities has increased. The fragmentation of cities into economic, ethnic and religious enclaves sharing few connections other than transportation links will present a major challenge in post-conflict reconstruction. In complex urban settings, vulnerable groups vary depending on their physical, economic and social situations, although it is often the poor who suffer from compounded deprivations. The urban poor, for instance, often settle on land that is unsuitable for development, leading to enhanced vulnerability to climatic shocks and stresses.

131. The middle class has a critical role to play in linking the upper and lower strata within the social structure of a city. A key defining factor of the middle class is its ownership of productive assets, including land and property. The spatial location of the middle class, its housing conditions, access to jobs and services and lifestyle shape the aspirations of poorer populations and thus help to define the terms of social inclusion and exclusion. Development of the middle class in the Arab world and across the globe is a critical source of skilled labour, a consumer class and an entrepreneurial group that provides important support to economic growth and development. But this cannot be achieved without the full inclusion and participation of women in the labour force, which, as was noted earlier in the report, is highly constrained by social, cultural, economic and political factors.

132. In countries of origin, particularly in the Mashreq, formal and informal remittance-driven urbanization sustained by high rates of household formation and pervasive housing shortages has sent land values skyrocketing beyond the means of many in the middle classes. The proliferation and subsequent densification of informal settlements has accelerated and sharpened class differentiation within them. Urban upgrading that avoids displacement and in situ reblocking have become the standard public interventions since the mid-1980s. This enhances the value of the assets of the poor, though in the longer term, five years and more after project completion, population movements induced by the workings of the private real estate market have caused the displacement of poorer populations (Serageldin, 2015).
133. These dynamics raise the question as to whether public improvement projects can propel a lower-income deteriorated area towards social balance. Governments have tried promoting inclusion by increasing the affordability of land and housing, a component of the right to adequate housing, but lack of affordable public transport continues to produce exclusion and physical segregation. Capping the price of land in publicly-sponsored projects has taken place only in peripheral locations where isolated projects house the poor and those who have lost their homes due to disasters or forced evictions. Housing is not adequate if its occupants do not have a degree of tenure security that guarantees legal protection from forced eviction, harassment and other threats (OHCHR and UN-Habitat, 2009). Subsidizing the cost of urban land has encouraged the development of high-end suburban subdivisions that since 2010 have become gated communities eroding the original objective of incentivizing physically and socially cohesive projects.

134. Today, cities are becoming more socially diverse and more spatially fragmented. In several Arab countries, subdistricts are becoming more inclusive economically while individual neighbourhoods are becoming more homogeneous socially, ethnically and religiously. A similar trend continues unabated with segregated expatriate worker housing. The differences between groups and growing spatial segregation creates an environment conducive to conflict, the threat of which must drive urban development towards more inclusive and socially equitable patterns.

135. The rich cultural heritage of the region ranges from UNESCO World Heritage archaeological sites and historic urban neighbourhoods to rituals and practices that are part of the collective memory and identity of the Arab people. While many historic neighbourhoods have deteriorated and house lower-income households, others, in Egypt, Morocco, the Syrian Arab Republic and Tunisia, have been restored and preserved. In Iraq and the Syrian Arab Republic, they have been partially destroyed during the recent civil wars and important sites and major museums have been destroyed by plunder, illegal excavation and wilful damage. There is an urgent need to arrest this ongoing despoliation. Affected countries should adopt immediate measures as part of post-conflict action plans.

136. These historic districts are not only part of the daily life of the population, but a significant economic asset, attracting tourism that is an important component of the region’s economy and a major generator of foreign exchange in the non-oil-producing countries. Recognizing shared cultural heritage also plays a key role in strengthening social cohesion. Awareness and preservation of both tangible and intangible cultural heritage are critical to understanding the history and identity of urban settlements in order to maintain the social fabric in light of new urban developments and for the benefit of future generations.

A. Food security and social protection

137. Social assistance schemes, defined as non-contributory transfers to populations vulnerable to or living in poverty, have been scaled up across the region in response to crises such as the 2007 global food crisis and the political crises that began in 2011 in the region. Indeed, the Arab Report on the Millennium Development Goals has stressed the need for progressive, affordable and inclusive social protection floors in the region as a critical step towards effectively targeting the poor and vulnerable. The inefficiencies of many social protection systems in the region can be attributed to a lack of reliable and updated data on poor and vulnerable communities and coverage targeting problems. An average of 16 per cent of the poorest population quintile receives no kind of social assistance. Social protection instruments at work in the urban areas of the region include food and fuel subsidies, cash transfers, food vouchers, school feeding and public works, many of which have multifaceted objectives and potential development outcomes. Social protection can also take the form of social insurance systems, although several national reports from the region highlight the unequal advantages of these systems for employed women and vulnerable groups. The informal practice of zakat also plays a role in redistributive social protection, administered through faith-based organizations (Devereux, 2015).

138. Food-related safety nets are of particular importance in a region highly dependent on food imports. Looking ahead to 2030, urbanization and population growth in urban areas could be one of the key drivers of food insecurity, changing people’s consumption and access patterns and increasing demand in cities (World Food Programme and Overseas Development Institute, 2015). Self-sufficiency in food is an unrealistic goal in this water-stressed region and food subsidies are a dominant component of the social and poverty reduction schemes of most countries. However, many reports in recent years have identified subsidies as an expensive and inefficient way of delivering food security and social protection to poor households. Moreover, the instability in the region since 2011, manifested primarily in cities, can be traced to rising food prices and subsequent food insecurity, which, in turn, can fuel increased civil unrest. Large displacements and migrations and increasing
exposure to climate-related shocks will exacerbate food insecurity in the region. Without planning and resiliency measures, import-dependency is likely to increase.

B. Public space in cities

139. Despite its important social function, public space in Arab cities and towns receives little attention from local authorities and central governments compared to other countries and other elements of urban space such as housing and infrastructure. Incompatibility of lifestyle is a major driver of spatial segregation and incompatibility of behaviour is a key factor in the increasing lack of social trust. This has resulted in a resurgence of semi-private spaces where admission is limited by fees or rules to particular user-groups. Once confined to ethnic/religious meeting places and elite clubs, this trend is extending to shopping malls and recreation areas and is a particularly disturbing recent development.

140. Souks, specialized shopping streets and markets, corniches, public parks and beaches still offer spaces where different social groups and income classes can mix. Public space has an important social function but is often in limited supply in Arab cities (Serageldin, 2015). Access to child- and youth-friendly spaces is fundamental to their well-being and development. Safe places to exercise their right to play are particularly lacking in Arab cities.8 The turmoil that began in 2011 has exacerbated encroachments on public and green spaces as a result of a lack of enforcement and population displacements. Every effort must be made to improve and preserve them.

141. Public open space and green space in Mashreq cities is also constrained by rapid urbanization and the limited water resources that define the arid environment of many Arab cities. Furthermore, they are often concentrated in city centres and wealthier neighbourhoods, resulting in unequal access. The rehabilitation of many of the historic centres and medinas in the Maghreb has led to substantial investments in public and green spaces. Residents of Rabat, for example, enjoy an average of 20m² of green public space per inhabitant, the governor mobilizing almost DH 32 million (approximately $3.2 million) in 2014 for investment in green space projects (El Aissi, 2014). The Gulf countries' resources have enabled major investments in public spaces emphasizing inclusive and barrier-free design.

142. In the urban area of Greater Cairo, on the other hand, there is approximately 3 m² of green, open space per inhabitant, which is among the lowest ratios in the world (GOPP, 2012). The World Health Organization has recommended that cities have a minimum of 9 m²/person. There is therefore an acute need to introduce open spaces in the very dense urban fabric, particularly in overcrowded informal settlements where public circulation space is often not landscaped and is badly maintained and hostile, in order to ensure habitability. Ministries, governorates, and most civil society organizations in Egypt agree on the need for open space and it has been incorporated into policy to improve the living environment. In Giza Governorate, there are still some parks and land holdings, but they are under the jurisdiction of the Ministry of Agriculture, which needs to cooperate with the Governorate to improve the existing public gardens, which are in urgent need of rehabilitation, and to create new ones.

143. Vacant and underutilized lots offer significant opportunities to increase open space in Arab cities in order to improve urban liveability and foster greater social cohesion. In the mid- to late 2000s, the municipality of Beirut purchased a combination of plots in overcrowded neighbourhoods and open, vacant lots with the objective of adding 33 public gardens to the 23 that already existed in 2007. Beirut’s density and private developer-driven construction since the civil war has led to limited provision and maintenance of green space, with an average per capita area of green space per inhabitant at a reported 0.8 square metres (NOW News, 2007).

144. The Government of Jordan has adopted a national project for the greening of municipalities. The Green Amman 2020 Initiative was launched in 2014 to rehabilitate existing open spaces and create new ones. According to the Greater Amman Municipality, the city has 145 parks and 2.5 per cent of the metropolitan area consists of green space.

145. While Algeria has made notable progress in the provision of decent housing, its current Schéma National de l’Aménagement du Territoire recognizes and gives priority to improving the living environment and preserving public spaces as a necessary step towards eradicating social inequalities (Algeria, 2014). Its capital Algiers has 6m² of green space per inhabitant (Wilaya de Ain Temouchent, no date).

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146. The rehabilitation or creation of public and green space in Gulf cities is a component of state policy to improve liveability. Open space had shrunk in many Saudi cities, such as Riyadh, where green areas dropped from 78m$^2$/person in 1950 to 16m$^2$ in 1999 (UN-Habitat, 2012a). In Jeddah, there are 2m$^2$ per urban resident, prompting the Jeddah Strategic Plan to include increasing open public spaces. The Government’s national efforts to increase cultivated areas are primarily in rural areas and designed to alleviate the harsh climatic conditions, particularly given current climate change predictions (Saudi Arabia, 2014). The Qatari Government’s environmental management strategy has prompted a shift towards expanding green spaces in urban areas such as Doha to combat the country’s sustainability challenges in light of rapid construction. Tree-lined corridors, rather than large open parks, mark the government’s primary approach to greening Doha (Qatar, General Secretariat for Development Planning, 2011). Dubai’s and Abu Dhabi’s construction booms have also left little room for public green space, which accounted for 2 per cent of Dubai’s urban area in 2015 (World Cities Culture Forum, 2016). According to Abu Dhabi’s Vision 2030, the city seeks to create vibrant public spaces in a global strategy of connectivity and through transit-oriented development that encourages walking.

147. The Khartoum State Structure Plan (2008-2033) includes proposals for the creation of larger regional parks in rural forested areas of the State, as well as converting an abandoned railway station into a park and upgrading Omdurman and Al Lafa markets in urban Khartoum. These proposals are useful and functional means of preserving open space and supplementing the effort to provide green space within the city by landscaping interstitial areas and major roads, including the Nile Corniche. The review of Djibouti’s city plan has also considered the creation of public spaces in an effort to improve access to services in the city.

Figure 13
Urban greening intervention in the Khartoum State Structure Plan

Source: Khartoum State Ministry of Planning and Physical Development, 2009.

C. Women in urban development

148. The inclusion and empowerment of women is critical to enhancing gender equality, a key human rights principle. Some progress has been made in countries going through political and economic transition towards increasing women’s participation in civic and political activities. Empowerment efforts by Arab countries recovering from the recent turmoil and its associated economic downturns are focusing on expanding the role of women in all spheres of urban life. Throughout the region, there have been noticeable shifts in sociocultural traditions that limited the scope for their participation in the social, economic and political spheres.

149. In Mashreq countries, women have increasingly gained political rights since the 1960s, have held ministerial-level positions and been elected to parliament, national councils and commissions, but their representation in the judiciary is still limited. The ongoing conflict in the Syrian Arab Republic has adversely affected women and youth in the war zones and among internally displaced persons and refugees, whose rights need to be restored and upheld in accordance with UNHCR conventions. Despite the impacts of war and continued conflict, which have disproportionately affected their
education and participation in economic and political life, and the continuing cultural and social challenges, women’s participation in urban economic activities in Iraq has increased slightly (Iraq, 2014).

D. Social and economic inclusion

150. Seventeen Arab States have ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); over half have signed it since Habitat II in 1996, despite reservations over its compatibility with either family codes or Shari’a law. Cultural norms, prevailing customary laws, the complexity of land registration and a lack of information have often prevented women from exercising their rights with regard to land. Some countries in the Arab region still retain laws limiting female mobility and autonomy within the household. In certain countries, applying for a passport, travelling outside the country, working outside the home and deciding to marry may require male permission (World Bank, 2013b).

151. The threat of sexual violence, harassment and intimidation in the public sphere has affected women’s uses of social spaces. While data is not widely available, some studies have highlighted the severity of the problem. For example, over 99.3 per cent of Egyptian girls and women surveyed reported experiencing some form of sexual harassment in their lifetime. According to the same study, 82.6 per cent of all respondents did not feel safe or secure in the street; the percentage increased to 86.5 per cent regarding safety and security in public transportation (UN Women, 2013). Some civil society-led advocacy initiatives have emerged to address this issue, such as HarassMap in Egypt (used primarily in the Cairo-Alexandria mega urban region), which maps instances of harassment and assault and promotes safe spaces for all. Leadership support and commitment from various stakeholders, including legislators, police and religious leaders are needed to reduce harassment (UN Women, 2013).

152. Access to public space to enhance women’s participation in public life is often restricted by limited freedom of movement. Throughout the Arab region, social and cultural norms restrict mobility, impose household care burdens and occupational segregation and personal preferences constrain their participation in public life. Occupational segregation still occurs in some countries of the region, whether it is the designation of certain workspaces as only for women or restricted access to certain professions that are deemed dangerous, hazardous or morally harmful to them or their reputation. Egypt, Kuwait, Morocco, Saudi Arabia, the Syrian Arab Republic, the United Arab Emirates and Yemen all impose restrictions on work that may be “morally harmful” or could affect women’s social standing (World Bank, 2013b). In addition, many workspaces are still separated by gender, including in Saudi Arabia, where several major projects have been undertaken to establish industrial centres with women-only workspaces.

153. Women’s ability to physically move around in urban spaces is also a major issue throughout the Arab region. In Saudi Arabia, societal norms prohibit women from driving a car. The designation of metro carriages solely for women and children in Egypt and the United Arab Emirates is a way to allow them to travel independently without risk of harassment. These restrictions constrain the ability of Arab women to reach centres of employment, schools and universities and cultural and social institutions.

154. Although attitudes in the Gulf Cooperation Council countries are more conservative than in other subregions, the labour force participation rates of women are increasing, particularly in civil service positions. Although their educational rates are increasing, there is a critical skills mismatch between what is studied in school and what the private sector demands (UNESCO, 2013). In 2013, the female labour force participation rate was highest in Qatar (51%) and recorded the largest increase in the United Arab Emirates (from 25% in 1990 to 47% in 2013). Youth unemployment in the region remains an acute challenge and disproportionately affects women: 51 per cent of women aged 15-24 were unemployed in 2013 compared to 23 per cent of young men (UN Women, 2015).

155. At 4 per cent, the Arab region has the lowest rate of urban women’s savings accounts, while less than 6 per cent of women-owned formal small and medium enterprises have access to bank loans (Souad, 2015). Although most countries in the Arab region have laws against discrimination in the workplace and legislation mandating equal pay for equal work, the enforcement of these laws is difficult, particularly for the large number of women working in the informal sector (World Bank, 2013b). It should be noted that the economic mobility of informal sector workers and their ability to transition to formal labour varied significantly by level of education and gender, with educated men in Egypt, for instance, transitioning from informal to formal labour with much greater frequency (Walba, 2009). Future policies linked to economic justice therefore need to take into consideration the gendered nature of the informal economy and the opportunities (or lack thereof) that it currently provides.
E. Political inclusion

156. Legal candidacy quotas for women have been established in several countries, primarily through election legislation. The constitutions of Iraq, Saudi Arabia, Somalia, and Tunisia stipulate quotas for members of their lower houses of parliament (Global Database of Quotas for Women, 2015), while Egypt’s 2014 Constitution provides for increased representation of women and youth on local councils (Tadamun, 2013). In Algeria, Libya and Morocco, women members comprised between 8 and 11 per cent of the lower house of parliament in 2012 (UN-Habitat, 2012). Ministries dedicated to women’s issues and gender units within different ministries have been established, such as the State of Palestine’s Ministry of Women’s Affairs, established in 2003 (State of Palestine, 2014). Mauritania capitalized on its political transition in the 2005–2007 period to establish a quota of 20 per cent female representation on municipal councils and a recommendation that one of the two deputies of each regional capital governor be a woman (Centre Marocain des Etudes Stratégiques and Konrad Adenauer Stiftung, 2014).

157. Urban governance in the Gulf States still involves primarily male nationals, though the inclusion of women has made significant progress since the mid-1990s. Qatar was the first Gulf country to allow women to run in municipal elections in 1999, with the first woman municipal official elected in the region in 2003 (UN-Habitat, 2012a). Women were first elected or appointed to political positions in Oman in 2000, with universal suffrage following in 2003 (Al Kitbi, 2008). Political reform in Bahrain in 2002 granted women the right to vote; the first woman to serve on a municipal council was elected in Muharraq in 2010 (UN-Habitat, 2010). Women in Kuwait earned the right to vote in 2005. After the partial election of the United Arab Emirates legislative body, the Federal National Council, women represented 22.5 per cent of its membership. In 2015, women in Saudi Arabia participated in municipal elections for the first time as both voters and candidates following a 2011 decision by King Abdullah. Women won 20 of 2,000 positions in the 2015 election (Amos, 2015).

158. Despite the achievements of the Arab world in increasing women’s political, economic, and social participation, particularly in cities, the region remains below the global average for several indicators related to women’s rights and freedoms. Disparities still exist between rural and urban settlements in terms of development opportunities and outcomes for women.

F. Accessibility and the inclusion of persons with disabilities

159. An important international policy affecting urban development since Habitat II has been the adoption of the United Nations Convention on the Rights of Persons with Disabilities in 2006. Furthermore, inclusive and universal access to urban services has been integrated into the targets of Sustainable Development Goal 11 dealing with sustainable cities and communities. These targets call for the inclusion of persons with disabilities in terms of accessible public transport systems and accessible design of green and public spaces.

160. It is difficult to estimate the number of persons with disabilities in Arab countries since many national statistics are collected using self-reporting methods and social stigma often results in underreporting. Available data show that Arab countries have relatively low disability prevalence rates compared to other regions, ranging between 0.4 per cent and 4.9 per cent (ESCWA and League of Arab States, 2014). Much progress in the Gulf countries has focused on improving the environment for persons with physical disabilities. In addition to social assistance programmes for lower income persons with disabilities, many policies and frameworks on disability in the Arab world focus on older persons. However, although the prevalence of disability among the 65+ age group is the highest in each country for which data is available, other age groups, such as the 25-44 cohort, make up a significant proportion of the total population of persons with disabilities.

9 Particular articles relevant to the Habitat Agenda and the urban environment include: article 9 on access to the physical environment, including buildings, roads, transportation, information and communication technology systems and other facilities; article 12 on equal recognition before the law, including in matters related to land and financial transactions; article 19, ensuring liberty of movement and choice of residence; article 19 stipulating inclusion and participation in community life; and article 28 ensuring an adequate standard of living and social protection, including access to basic services and public housing.
There is little difference in the prevalence of disability among men and women, although more youthful age groups are likely to include more males with disabilities as a result of the conflicts in Iraq, Libya, Somalia, the Syrian Arab Republic and Yemen.

Persons with disabilities in the Arab region continue to face barriers to entering the workforce and educational institutions, as revealed by available data for select countries. In Egypt, Jordan, and Oman, for example, the employment rate of persons with disabilities is approximately half that of the total population. Disparities in education are even greater in many countries, ranging from twice the illiteracy rate of the general population recorded for persons with disabilities in Egypt (61.3 per cent of persons with disabilities are illiterate compared to 29.6 per cent of the total population), to illiteracy rates six or seven times higher than that of the general population in the State of Palestine and Qatar respectively (ESCWA and League of Arab States, 2014).

Governments cater for the needs of persons with disabilities in the region through ministries of health, education, and social affairs. Public sector service gaps with respect to persons with disabilities are, however, prevalent in this region and are often filled by non-governmental organizations, organizations of persons with disabilities, foundations and international donors. Community-based organizations play an important role in programmes for persons with disabilities in Palestinian cities, particularly in terms of raising community awareness to avoid stigmatization and discrimination.

The issue of accessibility for persons with disabilities has been particularly visible in reconstruction efforts, such as those in Beirut following the civil war. In the mid-1990s the Ministry of Social Affairs, National Committee for the Disabled, Lebanese Company for the Development and Reconstruction of Beirut Central District (SOLIDERE), and the United Nations Economic and Social Commission for Western Asia (ESCWA) developed a design manual for a barrier-free environment aimed at influencing the inclusive reconstruction of central Beirut. The manual set out technical standards and design requirements for new infrastructure and buildings and for the renovation of damaged buildings, infrastructure and other public spaces (SOLIDERE and ESCWA, 1998). Difficulties encountered in implementation in Lebanon have included the centralization of the approach, which limits the role of local authorities and other stakeholders, the delay in legal frameworks to bolster application of the standards and local resources and capacity to replicate and apply the recommendations in the manual nationally (Samad, 2010).

Since ratifying the Convention, many Arab countries have made significant efforts to adopt and reform legislation to protect and promote the rights of persons with disabilities. In Jordan, the establishment of the Higher Council for the Affairs of Persons with Disabilities and the drafting of the 2010-2015 National Strategy for people with disabilities by the Council are important steps towards
implementing the Convention and building more inclusive cities. Iraq’s national report to Habitat III confirms a commitment in the national vision to obtaining information about persons with disabilities in order to enable effective expansion of services to them. In the Maghreb, Morocco is implementing a project in Marrakech with funding from the World Bank to include accessibility in urban transport infrastructure for persons with limited mobility.

166. The Gulf Cooperation Council countries are among the most advanced in the region in terms of enacting legislation promoting universal design in construction and the planning of public space. In Abu Dhabi, the public and private sectors offer a variety of services, programmes and initiatives to support people with disabilities, such as 17 public and 25 private centres to support children with disabilities, free public transport passes and wheelchair-accessible public buses, specialized emergency services and vocational training opportunities (Abu Dhabi e-Government, 2016). In Oman, the National Committee for the Services of Disabled Persons and local authorities monitor accessibility in the built environment and compliance with legal regulations on accessibility (Abdel Samed, 2010). Dubai aims to be a disability-inclusive city by 2020.

167. Armed conflict in several Arab States threatens the existing accessible housing stock and may result in an increase in disabilities among civilians and fighters resulting from injuries sustained in war zones and terrorist attacks and higher incidences of mental trauma. As Iraq, Libya, the Syrian Arab Republic and Yemen emerge from conflict and develop housing policies that consider the resettlement of the displaced, housing production and reconstruction efforts will need to apply the principles of universal design to ensure the right of persons with disabilities to appropriate housing. Municipalities in many Arab States are responsible for issuing building permits and undertaking public works and therefore play a key role in enforcing the application of inclusive codes and design principles.

G. Policy considerations

- Direct urban development towards more inclusive and socially equitable patterns to overcome multiple forms of exclusion, including equal access to adequate housing, basic urban services and livelihood opportunities for all. Target the reconstruction of post-conflict environments and urban areas in a more inclusive and resilient manner.

- Reform housing and land dynamics in the Arab region to redress physical manifestations of social inequity, compromised access to adequate housing, fragmented urban space and gated communities. Design, develop and manage cities in a manner that enhances productivity, civic engagement and participation, fosters peaceful coexistence and promotes dialogue among urban residents.

- Public spaces are a right and should be planned in a manner that guarantees adequate and equitable accessibility for residents, irrespective of any status. In addition, they need to be designed, developed and maintained in a manner that increases civic participation, fosters peaceful coexistence, promotes dialogue among urban residents and is consistent with other policy objectives such as health, transportation and mobility.

- Preserve urban and cultural heritage as an asset and a means of maintaining a cohesive social fabric, cultural identity, safety and security.

- Establish progressive, affordable and inclusive social protection floors in the Arab region as a critical step towards effectively targeting the poor and vulnerable groups. Initiate broad institutional and political reforms to adopt a rights-based approach to social protection, linking poverty reduction with labour market support and increased access to basic services.

- Ensure food security and plan for resilience measures to provide social protection coverage for the most vulnerable, in light of the shrinking resources of many and economic downturn perpetuated by conflict.

- Foster women’s participation and remove barriers in order to ensure that women have equal access to services, opportunities and positions of leadership at all social, economic and political levels. There is also an urgent need to address instances of abuse, sexual violence and harassment of women and girls in public spheres.

https://www2.habitat3.org/bitcache/10c298450ab4da3e6e85587e0673b167ac0cd902?vid=567125&disposition=in line&op=view
168. Furthering the rights-based approach to disability is essential to ensure that persons with disabilities have equal access to services, transportation, public space, employment opportunities in the city and equal participation in urban governance.

VI. **Urbanization and the environment**

A. **Climate change**

1. **Trends and impacts**

169. Climate change trends in the Arab region point to a marked decrease in rainfall and an increase in heat waves and droughts of varying severity. The latest Intergovernmental Panel on Climate Change (IPCC) report indicates the extent to which the Arab region will be affected by climate change by 2050. Temperatures are expected to rise 1.5 to 2 degrees above pre-industrial temperatures, triggering reduced precipitation, more frequent and severe droughts and episodes of heavy rainfall and flooding. Sea level is predicted to rise between 0.1 to 0.3 metres, depending on coastal locations (IPCC, 2013). These trends will not affect the subregions equally since they are in different climatic zones.

170. A concomitant increase in episodes of extreme weather events will cause flash flooding, resulting in casualties, displacement and damage to public and private property. Infrastructure may suffer severe disruptions as segments of roads, particularly unpaved ones, are washed away. Arid mountainous areas within the region are exposed to such storms, including parts of Jordan, the Syrian Arab Republic, the Kurdistan Region of Iraq, Egypt where the valley narrows and in the Sinai, western Saudi Arabia, notably Asir, and other locations where the combination of topography, seasonal winds, temperature and moisture patterns are conducive to the formation of storms (World Bank, 2014a).

171. The Arab region has extensive coastal zones on the Mediterranean Sea, the Red Sea, the Gulf and the Atlantic and Indian Oceans, with large percentages of the population living in highly populated coastal cities. In six Arab States, namely Bahrain, Comoros, Djibouti, Kuwait, Lebanon and the State of Palestine, 100 per cent of the population is within 100 km of the coast (Arab Forum for Environment and Development (AFED), 2008). Concentrated urbanization and socioeconomic development in coastal zones makes the Arab region among the world’s most vulnerable to the effects of sea-level rise, with impacts on agricultural productivity, sizeable loss of coastal low-lying areas and threatened coastal communities. There are at least 20 Arab cities with more than one million inhabitants situated in coastal zones.

172. Sea-level rise in the Mediterranean is expected to cause salt-water intrusion in the highly productive agricultural land of the Nile Delta in Egypt, where rising water tables will impede drainage; these are more immediate concerns than the potential area lost to flooding, for which no accurate measure exists. The impact of the higher rate of sea-level rise for the 1993 to 2010 period, estimated at 2.8 to 3.6 mm/year by the Intergovernmental Panel on Climate Change, should be assessed in combination with tectonic forces which cause subsidence in one part of the coast and uplift in others, as well as the loss of replenishing sediments carried by the Nile since the building of the Aswan High Dam. The flat topography entails greater flooding while the erosion of the sedimentary fans at the estuaries of the Nile branches at Damietta and Rosetta is changing the coastline.

173. The major impacts of climate change on the coastal zones in the Maghreb are the result of shifting westerly wind patterns, which are forecast to cause a 12 per cent reduction in precipitation by 2030 with a concomitant decline of 10 per cent in agricultural and pastoral production (UN-Habitat, 2012a). Morocco’s Ministry of General Affairs and Governance worked in partnership with the World Bank to gather data and develop models for various climatic events. The study recommended establishing a National Office of Risk Management to coordinate actions by ministries, local authorities and other actors (Morocco, Ministry of Urban and Regional Planning, 2015). The Mediterranean is too constrained and its coast too ragged to allow violent storms with water surges to build up to destructive strength, but resort development with protective breakwater structures along the coast divert natural sand-carrying sea currents flowing west to east further out to sea, resulting in beach erosion, lack of flushing bays, algal blooms, pollution, and destruction of the coastal marine ecology in Egypt, Libya and Tunisia. The magnitude of Tunisia’s urban development along the coast, the location of its major cities and current and planned economic activities, including tourism and information and communication technologies, make it the most vulnerable country to sea-level rise in

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11 According to the IPCC (2013), by the end of this century, 70 per cent of coastlines worldwide are likely to “experience sea-level change within 20 per cent of the global mean sea level change”.

12 [http://citypopulation.net/world/Agglomerations.html](http://citypopulation.net/world/Agglomerations.html) (accessed on 15 July 2016)
the southern Mediterranean after Egypt. Drier weather and salt-water intrusion will also affect its agricultural production.

174. With the ongoing occupation, and conflicts in Iraq, the Syrian Arab Republic and other Arab countries, it is to be expected that these countries will experience environmental degradation beyond the impact of climate change alone. Populations enduring prolonged violence can hardly be concerned with anything other than survival and safety. However, since 2011, Iraq has established 10 stations to monitor weather patterns. In the Syrian Arab Republic, surface water resources in the western segment of the country where urban centres, economic activities and the most productive agricultural lands are concentrated, are fully utilized and groundwater withdrawals are excessive. In 2008, plans were developed to draw on the country’s share of the Tigris in order to supply agricultural land in the eastern provinces, where rain-fed agriculture and consequently food security was severely stressed by the unpredictability of and decline in precipitation.

175. Environmentally driven migration takes place primarily within countries, often from rural to urban areas. Traditionally, mobility has been an adaptation strategy to avoid hazards and diversify income, but often the poorest and most vulnerable are unable to move. Increasingly, however, cities are themselves becoming sites of environmental risks and hazards, including those related to climate change (IOM, 2014). In Iraq, over 60,000 impoverished farmers whose livelihood was adversely affected by drought in 2006 and 2008 migrated to urban areas (World Bank, 2014a). Similar migration movements occurred in Jordan.

176. In the Sahel zones of Mauritania, every major drought has triggered migration to the cities and nomadic households have moved by the hundreds of thousands to Nouakchott and Nouadhibou where deeper wells could reach the groundwater. Nouakchott’s population grew from 40,000 to over 700,000 between 1970 and 2000. While central and local authorities work with donors and non-governmental organizations to extend the water supply to its peri-urban areas, port development has altered the flow of coastal currents, resulting in substantial erosion along the city’s southern coastline that in some years reached almost 25 metres (Abu-Ata, 2015). Large sections of the city are below sea level, adding to saltwater intrusion in its porous soil, making them vulnerable to rising sea levels in the South Atlantic.

177. In Sudan, the line of semi-desert and desert areas has moved southwards 50 to 200 km since 1930 and is projected to continue moving southwards, threatening 25 per cent of the country’s agricultural land and reducing food production by 20 per cent (UN-Habitat, 2012a). Long periods of severe drought have generated massive migration to cities along the Nile. Khartoum’s population swelled as migrants and internally displaced persons from the ongoing conflicts in Darfur province sought survival and safety in the capital and other major cities in the Darfur region. In 2009, according to official statistics, Greater Khartoum hosted over 600,000 internally displaced persons, in addition to 1.5 million locally integrated displaced persons (Humanitarian Policy Group, 2011). Furthermore, the poor living in informal settlements or who have settled in low-lying areas of the capital, are among those most vulnerable to climatic shocks and stresses. In 2009, flooding affected 22,291 homes, primarily in informal urban settlements in Khartoum and caused damage to critical water and sanitation systems (International Federation of Red Cross and Red Crescent Societies, 2013).

178. In the Gulf Cooperation Council countries, heat waves, flash floods and sandstorms are expected to increase, each bringing with them their own economic and human health burdens. New records in heat extremes could reduce labour productivity in sensitive sectors, in particular those that are manual labour-intensive. The proportion of the workforce expected to be particularly affected between 2010 and 2030 ranges from 10 to 20 per cent, but may be as high as 40 per cent in some Arab countries (World Food Programme Expert Group Meeting, 2016). The working conditions of expatriate manual labourers will be affected by rising temperatures in the Gulf.

179. Yemen displays different climatic extremes. It suffers from the most acute water shortage in the Arab region, with about 86 m3 of renewable water resources per person (Al Horazi, 2014). Water scarcity has had a major impact on agriculture, spurring migration to the cities by those whose livelihoods have been compromised and making Yemen one of the most food-insecure countries in the world.13 Flash flooding resulting from brief heavy rainfall is exacerbated by the paving and channelling of dry river beds. Flooding in 2008 was particularly damaging, resulting in loss of 6 per cent of the country’s GDP (Leister, 2015).

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13 Yemen ranked 90th out of 109 countries on the 2015 Global Food Security Index produced by The Economist Intelligence Unit.
2. **Adaptation and urban resilience**

180. The World Bank estimates that climate change in the Arab region will expose 80 to 100 million people to water stress and 6 to 25 million people to coastal flooding by 2025. Responses to climate change in the region tend to be remedial when emergencies arise, rather than part of an adaptation strategy that builds resilience. Climate change research and impact projections in countries are improving but have yet to gain the attention they deserve. Socioeconomic vulnerability is also significant, with the rural poor and internally displaced particularly exposed and vulnerable to climate shocks and stresses (World Bank, 2014a).

181. While development plans in all Arab countries cover agricultural and pastoral production, few specifically address climate change and environmental concerns. The protection of agricultural land is sought for different reasons. Sudan focuses on produce and leather exports, Egypt on food security, Jordan mentions its CO₂ absorption potential and Morocco focuses on the management of destructive climatic events that damage crops (World Bank, 2014a). For the preservation of agricultural land to achieve its potential mitigating effect, fertilizer use must be rationalized to avoid adverse impacts from run-off, polluting rivers and creating “dead zones” in lakes, estuaries, and coasts at river mouths.

182. Addressing climate change issues in Sudan is the responsibility of the Higher Council for Environment and Natural Resources at the national level. Khartoum State has also established its own Council for Environment. Following the severe flooding in 2013, Khartoum State took several remedial measures, such as reinforcing river banks, repairing retaining walls, relocating squatters away from flood-prone areas and encouraging durable building materials in new home construction.

183. The unique circumstances of the State of Palestine have impeded the country’s ability to implement the Palestinian Climate Change Adaptation Strategy completed in 2010. These constraints are expected to continue to hamper resilience-building and adaptation.

184. Egypt is ranked among the top 10 most vulnerable countries to climate change because of the concentration of population and economic activities in the Nile Valley and the lower Nile Delta. The two major concerns are water shortage and sea-level rise. Egypt is drawing on aquifers at different depths in the Western Desert plateau and using desalination to supply development along its coastline, primarily in the Red Sea and Sinai Governorates. Recent technologies have enabled the discovery of underground reservoirs, which will be able to sustain expansion of agriculture in the desert areas west of the middle valley and the Delta, but Egypt’s share of Nile water is insufficient to supply its projected population growth.

185. Tunisia is the only country in the region and the third worldwide, after Ecuador and the Dominican Republic, to have included a reference to climate change in its Constitution, which was adopted in 2014. The Tunisian article stipulates that “the State shall guarantee the right to a healthy and balanced environment and the right to participate in the protection of the climate” (Paramaguru, 2014). It essentially empowers public and private entities to participate in activities fostering a “healthy environment”.

186. Except for Oman and Saudi Arabia, the Gulf Cooperation Council countries are geographically constrained and have had to cope with high demand for large-scale urban development. Expansion has been accomplished by land reclamation and infilling of salt marshes and flats. An increasing proportion of the population now lives on low-lying land, leaving little remaining natural features and habitats to absorb flood water and storm surges. In the United Arab Emirates, an estimated 85 per cent of the population lives a few metres above sea level (UN-Habitat, 2012a). In 2009, the Abu Dhabi Environment Agency projection of the effects of sea-level rise prompted recognition of the necessity to develop an integrated coastal management plan. In Bahrain, the Supreme Council for Environment stated that, based on Intergovernmental Panel for Climate Change projections, 5 to 11 per cent of the country will be flooded by rising sea levels (UN-Habitat, 2012a). Flood barriers will be constructed to protect the land from a sea-level rise of up to 60 cm by 2100. A National Disaster Management Committee has required all new projects to be designed to withstand this degree of sea-level rise.

187. Just as worrisome are the changing patterns of ocean currents, which are predicted to cause more frequent and extreme storms. Cyclonic events and hurricanes are still considered rare, although cyclone Chapala hit Yemen in November 2015. The absence of a functioning administration left the area unprepared to respond to the disaster. Oman is also more exposed to storms that develop in the Indian Ocean and the Arabian Sea with 50 per cent of its population living along the coast in Muscat and the Batinah area (UN-Habitat, 2012). In 2007, cyclone Gunu demonstrated how vulnerable the country was to extreme weather events. In response, the Government established a Ministry of Environment and Climate Affairs, which set up a network of hydro-meteorological gauges and issued...
guidelines on development in flood-prone areas. Major infrastructure projects are needed to enable drainage to handle flash floods and storm surges.

188. Saudi Arabia has been experiencing changing weather patterns, with a marked increase in heat waves, sand storms and heavy rainfall and flash flooding. In 2013, in response to the projected potential increase in natural disasters, the Government introduced the Sustainable Urban Planning Guidelines for New Growth, which prohibit the siting of new development projects in areas at risk of flooding, seismic activity or environmental pollution. This is a laudable first step that should be followed by implementation regulations.

3. Disaster risk reduction

189. The increase in the occurrence of natural hazards coupled with low levels of disaster preparedness has resulted in a substantial increase in the number of lives lost in the region. The increase in flooding disasters is most pronounced, while droughts have affected the greatest number of people and earthquakes have caused the most damage. Cost estimates for damage to infrastructure, housing and livelihoods in the region between 1990 and 2015 are over $18 billion, including $6.8 billion resulting from earthquakes, $5.6 billion from floods and $5.4 billion from storms (ESCWA, 2015).

Figure 15
Disaster occurrence trend in the Arab region, 1950–2019

Source: ESCWA, 2015.

190. The First Arab Conference on Disaster Risk Reduction recognized the vulnerability of Arab cities and issued the Aqaba Declaration on Disaster Risk Reduction in Cities in March 2013, proposing 16 achievable and measurable targets for city authorities to implement by 2017. (United Nations Development Programme (UNDP) and others, 2013). The Declaration called for the integration of sustainable development principles into urban development planning across all sectors, including infrastructure, environment, energy and socioeconomic development, in order to increase resilience to disaster. In addition, it highlighted the need for strong disaster risk management policies, functional implementing institutions, sufficient investment in disaster risk reduction activities and strengthened early-warning capacities.

191. Following regional efforts to implement the Hyogo Framework for Action 2005-2015, the Arab Strategy for Disaster Risk Reduction 2020 was adopted by the Council of Arab Ministers Responsible for the Environment and further endorsed by Heads of State at the Second Arab Economic, Social and Development Summit in January 2011. Most recently, in November 2015 the Strategy was revised to reflect the Sendai Framework for Disaster Risk Reduction 2015-2030, which is the first major agreement of the 2030 Agenda for Sustainable Development. The Arab Strategy for Disaster Risk Reduction is seen as a bridge between national strategies and the international framework.

B. Natural and built environment

1. Water management

192. Inadequate management of water bodies, wetlands, and floodplains has removed the natural buffers that have stabilized banks, absorbed pollutants, stored floodwater and reduced the destructiveness of flash floods. This loss of ecosystem services can be devastating in the face of potential sea-level rise and the impacts of extreme weather events. Repairing environmental damage is a challenge that demands a commitment to changing the interaction between communities and sensitive areas critical to preserving water quality, livelihoods and marine and wildlife habitats.

193. With 85 per cent of its geographic area classified as arid, water availability is the most critical issue facing the region, where 60 per cent of countries are already suffering from serious shortages and
more than half are under the absolute scarcity level of 500 m$^3$/capita/year of renewable water (Pivac, 2015). The rivers have little or no allocated water remaining and all allocated shares are fully used. Aquifers and subterranean water resources are over-exploited, with withdrawals exceeding natural replenishment rates, as figure 16 shows. Jordan, Libya, the State of Palestine, the Syrian Arab Republic and Yemen are the most water-stressed countries and among the most food-insecure countries in the world. They face unprecedented challenges in equal distribution and service provision due to internal or regional conflicts.

194. As is the case worldwide with exception of city-states, agriculture consumes 70 to 80 per cent of water, while its contribution to GDP in 2014 was 3.8 per cent in Jordan, 10 per cent in Algeria, 14.5 per cent in Egypt, 16 per cent in Morocco and 29.2 per cent in Sudan, the least urbanized country (World Bank, 2014b). However, the agriculture sector is important, not only to regional food security, but also to the livelihood of the rural population and agricultural losses are a key driver of rural to urban migration in the region. There is an urgent need to improve water-use efficiency in the agriculture sector by adopting numerous modern technologies that are applied in other regions, including drip irrigation, irrigation scheduling, dry farming and rainwater harvesting.

Figure 16

Annual per capita renewable water resources in the Arab region, 1960–1999, and projections for 2025

Source: ESCWA, 2015.

195. There was an 18.3 per cent increase in annual withdrawals of ground and surface water in the Arab region between the 1990s and 2013, with the Gulf Cooperation Council countries experiencing a 44.4 per cent increase (ESCWA, 2015). Changes in climate are also expected to reduce long-term water supplies and increase reliance on desalination with the resulting energy costs. Desalination already provides two thirds or more of the potable water used in Bahrain, Kuwait, Qatar and the United Arab Emirates, while in Saudi Arabia it accounts for more than 70 per cent of water used in cities. The shift towards desalination and its energy-intensive processes are not without environmental impacts, including the effect of water intake on local marine life and management of brine discharge, which is a mixture of saline concentration with thermal and chemical pollutants. To employ better water technologies and energy-efficient desalination, Gulf Cooperation Council governments invested upwards of $100 billion between 2011 and 2016 (Pivac, 2015).

196. Treated wastewater has become an important source of usable water that can help bridge the gap in the escalating demand for municipal water in urban areas and contribute to environmental protection by averting the release of untreated wastewater into water bodies and coastal zones. According to a 2015 ESCWA survey of 11 Arab countries, around 5,500 million cubic metres of wastewater are collected yearly from cities, of which nearly 91 per cent (around 5,000 million cubic metres) undergoes at least some primary form of treatment (ESCWA, Arab Countries Water Utilities Association (ACWUA) and the Arab Water Ministerial Council, 2015). In Gulf Cooperation Council countries almost all collected urban wastewater is treated at the tertiary level, whereas a substantial share of collected wastewater in Iraq and Libya is discharged untreated into water bodies. Wastewater treatment and reuse face several technical, financial, social and institutional barriers to implementation. Standards and regulations need to be developed and an accountable monitoring system established to protect human health and the environment. Arab countries have to varying degrees developed such standards, although actual practice may not always meet national and international standards (UNDP, 2013).

2. Solid waste management

197. The overall generation of waste per capita fell between 2000 and 2006, particularly in some subregions, with a sharp decrease from 1.30 to 0.40 kilograms per person per day in the Maghreb and from 1.35 to 0.62 kilograms per person per day in the Mashreq (ESCWA, 2015). Nevertheless, municipal solid waste is becoming a serious problem in Arab countries, hampering quality of life and
diminishing cities’ attractiveness. Population growth, economic progress, the expansion of urban areas and rising of standards of living all contribute to the solid waste management problem in Arab cities and impose further challenges for planners and decision makers at all levels.

198. The Regional Solid Waste Exchange of Information and Expertise Network in Mashreq and Maghreb Countries (Sweep-net) estimated the waste-related investment needs over the next 10 years for Algeria, Egypt, Jordan, Lebanon, Mauritania, Morocco, the State of Palestine, the Syrian Arab Republic, Tunisia and Yemen to be between $6.5 and $9.3 billion. According to the Network, cities in the Arab region spend 20 to 50 per cent of their budgets on solid waste management (Ismail, 2012). With solid waste in the Arab region estimated to exceed 200 million tons per year by 2020, the failure of many cities to adopt integrated solid waste management practices could lead to a severe urban and environmental crisis (Al-Yousfi, 2006).

199. Although integrated waste management strategies have been introduced in some Arab countries, modern collection, treatment and disposal systems, recycling, reuse and recovery are still in their early stages. The lack of adequate regulation of these activities in middle-income countries has resulted in additional problems, with a developing informal sector operating in landfill areas and in cities. Most people involved in waste scavenging are from social groups already suffering from exclusion and poverty. Such activities in uncontrolled dumps, despite the economic earnings and environmental benefits, are exacerbating their initial situation through further exposure and vulnerability to health risks.

200. The Greater Beirut area has been particularly affected by the waste crisis since the closure in July 2015 of the Naameh landfill site, where Beirut’s waste was deposited for 19 years. While 3,000 tons of waste continues to be generated in the area each day, the Lebanese Government is struggling to find an alternative solution and illegal dumping, waste burning and small-scale uncontrolled incineration is widespread (Lebanon, Ministry of Environment, 2016). The national waste crisis has led to widespread demonstrations as people demand a sustainable solution and accountability and has seen the activation and expansion of many civil society and small-scale private sector-led initiatives for recycling and composting.

201. The Cairo metropolitan area generates more than 15,000 tons of solid waste per day. Approximately 60 per cent of solid waste in Cairo is managed by the formal and informal sector, while the rest is dumped illegally, which causes serious ecological and public health problems. It has been estimated that informal garbage collectors handle one third of garbage in Cairo, collecting up to 3,000 tons of garbage every day and recycling up to 80 per cent of the collected waste (Fahmi, 2005). The formalization of this type of informal sector waste collection is deterred by inadequate frameworks and regulations. Moreover, landfill is the most common waste management practice in Arab countries, which prevents the development of recycling activities.

202. The Jradou hazardous waste treatment and disposal centre in Tunisia, which opened in 2008 and was the first hazardous waste treatment facility in the Arab region, was suspended in 2011 after a judicial decision upheld local residents’ claims about its environmental impacts, including contamination of groundwater. With the closure of the only industrial and hazardous waste management facility in Tunisia, the more than 150 companies it served were forced to store hazardous waste, despite limited space. Monitoring the quantities of hazardous waste has become more difficult and is preventing Tunisian companies from complying with European standards (Webmanagercenter, 2014).

203. In Gulf Cooperation Council countries, highly efficient landfills are widely used. The high content of organic matter in municipal waste led some cities, such as Doha, to invest in composting and the production of fertilizers from food waste. Although, landfill is the oldest and most widely used method for disposing of solid waste, additional treatment options are necessary for integrated waste management. Programmes and policies that go beyond disposal of waste should be explored by city planners and managers in the Arab region based on cost-effectiveness, technical feasibility, social acceptability and innovative financial schemes, including climate finance.

3. Renewable energy and the green economy

204. Funding for the United Nations Green Climate Fund has lagged well behind the commitments made, which constrains support to poorer vulnerable countries in the region and elsewhere (Mathiesen, 2015). Countries, subnational jurisdictions, and cities will need to integrate green infrastructure into their plans to improve the living environment and enhance their competitiveness. All countries in the Arab region have renewable energy goals in place. This marks a major shift from 2007, when just five countries in the region had renewable energy targets (IRENA and others, 2013). Egypt, Jordan, Morocco, Sudan, Tunisia and Yemen have also implemented energy subsidy reforms. Of these
countries, Egypt, Jordan and Morocco have implemented energy subsidy reforms in the electricity sector and all six have increased the prices of oil products. The largest increases in renewable energy generation have taken place in Egypt, Jordan, Morocco and Tunisia (Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), 2015). Morocco has made great strides in expanding solar generation through the Moroccan Solar Project (NOOR), launched in 2009. The first phase of NOOR, which was completed in February 2016, has a power-generating capacity of 160 megawatts and can provide power to 650,000 people. When construction of subsequent phases is completed around 2020, the solar complex will be capable of producing 580 megawatts and providing power for more than a million people (Nelson, 2016).

205. The annual average growth rate of renewable energy resources in the Arab Region between 1990 and 2011 is shown in figure 17. Despite this increase, the actual share of consumption of renewable energy resources is still marginal, at only 0.24 per cent on average for Arab countries (ESCWA, 2015). The cost of solar panels, an important potential mechanism for emissions reduction in the region, given the high number of clear sunny days in all countries, has decreased substantially over the past decade. Wind farm prices have also declined, but require appropriate wind patterns, which are present in some locations of every country in the region (IRENA and others, 2013).

Figure 17
Annual average growth rate of electricity production by source in the Arab region, 2008–2011

Source: IRENA and others, 2013.

* Average annual growth rate for biomass power generation is from 2009 to 2011.

** Average annual growth rate for hydropower generation includes 2010 data for Lebanon and the Syrian Arab Republic.

*** Average annual growth rate for fossil fuel power generation includes 2010 data for Lebanon, the Syrian Arab Republic and Yemen.

206. Emissions of greenhouse gases per capita have increased by 45.2 per cent in the Arab region since the 1990s, despite global efforts to reduce them (ESCWA, 2015). The recent discovery of new natural gas fields will help Egypt, the region’s most populous country, reduce its emissions somewhat, if it is used to replace diesel oil in power plants. Gas distribution networks have been built in Cairo and Alexandria, gas being widely used in water heaters and cooking stoves in upper and middle-income homes. Homes in older neighbourhoods are generally not connected and peri-urban informal settlements have yet to be serviced (Abdel Ghafar, 2015). Lebanon has successfully leveraged private funds to finance energy efficiency projects through its funding mechanism National Energy Efficiency and Renewable Energy Action (RCREEE, 2015). Since the 1990s, there has been substantial growth in the number of solar panels to heat hot water installed in households in Jordan and Lebanon (Observatoire Méditerranéen de l’Énergie, 2015).

207. As Arab cities continue to grow, concentrations of high-rise buildings may exacerbate heat-island impacts by creating large expanses of concrete, which absorb heat and block natural breezes or, conversely, can create “wind-tunnels” and block sunlight – all of which discourage urban street life. Green building practices, green street-scaping, and urban parks can reduce the impacts of an urban heat-island and reduce energy requirements for air conditioning, smog levels and health risks resulting from heat stress and poor air quality. Jordan’s national land use plan of 2006 is being updated to take into account environmental sustainability in urban planning and management, while the Jordanian Green Building Council adopted a Green Building Manual in 2013 on urban design and individual buildings. Lebanon, Qatar and the United Arab Emirates have developed their own green building rating systems to incorporate socioeconomic, environmental and cultural aspects in modern architecture.
Box 4: Masdar City (United Arab Emirates)
The Abu Dhabi Urban Planning Council has developed the Pearl Rating System (PRS) on compliance with green building standards. When completed, the United Arab Emirates’ flagship green building project, Masdar City, will be a net zero energy city obtaining all energy from renewable sources, recycling all waste, and having no traditional cars. The $22 billion project, which is designed to be a hub for clean tech companies, has received some criticism as it is being constructed on desert land outside Abu Dhabi and must rely entirely on energy-intensive desalination for its water source, making it a questionable model for other cities in the Arab region (Kingsley, 2013).

208. Despite advances in green building and renewable energy, challenges remain throughout the Arab region, including energy efficiency regulation of the transport and industrial sectors and effective implementation of existing policies.

4. Air pollution

209. The connection between environment and human health is clear in Arab cities, declining air quality being linked with increasing incidences of respiratory tract diseases, and poor water quality and sanitation with diarrheal diseases. According to the World Health Organization (WHO) Ambient (outdoor) Air Pollution in Cities Database 2014, five Arab countries, namely Bahrain, Qatar, United Arab Emirates, Egypt and Jordan, ranked among the top 15 countries worldwide having the highest annual mean concentration of inhalable and fine particulate matter (WHO, 2014). Moreover, approximately 98 per cent of the population in the Arab region is considered exposed to particulate matter levels in the air higher than the WHO guideline value (Brauer and others, 2015). Over 250,000 deaths from respiratory and heart disease were found to be attributable to ambient air pollution in the Eastern Mediterranean region in 2012 (WHO, 2012). Additionally, air pollution has other externalities associated with health impacts, including cost of health care treatment and loss of productivity due to illness.

210. Land transportation, thermal power, water desalination plants and manufacturing plants are the major contributors to air pollution in Arab cities, although air quality is also affected by naturally arid climate conditions that increase airborne dust. The number of vehicles per kilometre of roads in Arab countries has been increasing, surpassing the global average of 32 as of 2009, and leading to greater consumption of fuel, the emission of greenhouse and other toxic gases and traffic congestion (ESCWA, 2015). Fuel subsidies, ageing vehicle fleets, under-developed public transport systems and poor urban planning are among the factors often cited as contributing to unsustainable transport systems in the Arab region. Many Arab countries have taken measures to limit air pollution from transport, including the introduction of metro and rail systems in Egypt, Algeria and the United Arab Emirates; the application of fuel-saving and other vehicle standard specifications in Saudi Arabia; scrapping old vehicles and use of compressed natural gas in Egypt; and the adoption of lead-free and low-sulphur gasoline standards in many Arab countries (AFED, 2015).

5. Sustainable urban transport

211. Urban mobility and sustainable means of transport are critical to ensuring freedom of movement and access to jobs and services that enhance urban development outcomes and the quality of life of citizens. The region has witnessed a growth of private vehicles since the 1990s, but this varies widely among subregions, with the numbers of vehicles increasing by upwards of 48 and 50 per cent in the Mashreq and Maghreb respectively; Gulf Cooperation Council countries have seen a reduction of 49 per cent. (ESCWA 2015). Several cities in the Arab region have atypical private vehicle use, including Beirut, where private vehicles account for over two thirds of urban trips (El-Geneidy and others, 2011). With the growth of private vehicles, pedestrian safety is a concern and infrastructure dedicated to pedestrians, such as raised sidewalks and raised crosswalks and medians, is of the utmost importance. Public transport remains widely used in most cities, although its predominance is decreasing in some, including Tunis, Algiers and Casablanca. In Tunis, for example, the bus and tram share decreased from 35 per cent in 1996 to 16 per cent in 2006. Over the past few decades there has also been an increase in informal public transport, such as shared taxis and mini-buses in countries such as Algeria, Egypt, and Morocco, for example (El-Geneidy and others, 2011).

212. Recognizing that the transportation sector is a major contributor to climate emissions, air pollution, and environment-health linkages, several initiatives have been undertaken at the national and urban levels and across the region. In 2014 a Fuel Quality Roadmap was prepared for the League of Arab States, focusing on the promotion of low-sulphur diesel fuels, with the aims of helping
countries to move systematically towards European standards (Centre for Environment and Development in the Arab Region and Europe, 2014).

213. Case studies have also been developed to set a baseline of fuel economy for light duty vehicles in Bahrain, Egypt, Morocco and Tunisia. These will be used to promote Global Fuel Economy Initiative (GFEI) activities in the region. Related to this is work on the Partnership for Cleaner Fuels and Vehicles (PCFV), which is working to support the development of a national plan to reduce sulphur content in diesel fuel and engage more countries to improve their fuel economy. There are several developments in the region on fuel economy, Saudi Arabia having fuel economy standards for incoming light duty vehicles from 2016. It is likely that other Gulf Cooperation Council countries will follow suit.

6. Policy considerations

- Implement global and regional commitments (Sendai Framework for Disaster Risk Reduction 2015–2030, Arab Strategy for Disaster Risk Reduction), bridging national strategies and international frameworks. Shift from climate change mitigation-centred policies towards the integration of adaptation, financing, technology transfer and capacity-building initiatives, while strengthening the institutional, financial and technical capacities of environmental institutions to implement programmes and monitor environmental compliance.

- Reduce greenhouse gas emissions generated by cities and acknowledge that climate change represents a threat to livelihoods and human safety, particularly to such vulnerable groups as the urban poor and others whose shelter solutions involve settling in hazardous or low-lying areas, increasing their level of exposure and risk to climate-related events and disasters.

- Expand policy measures to address environmental protection in the Arab region, particularly in the areas of biodiversity loss, water and air pollution, desertification, water scarcity, coastal erosion, and sea-level rise, particularly in countries undergoing protracted crisis and conflict.

- Address rapid urbanization challenges and advance national planning strategies and spatial interventions that aim to preserve valuable resources. Guide urban development to consider issues of exposure and vulnerability of communities to disasters and environmental hazards. Prepare disaster management plans in advance and draw up development guidelines for environmentally sensitive areas. “Smart cities” have the potential to aid in developing sustainable and resilient cities in the Arab region. There is a need to foster sustainable urban transport and the application of appropriate urban development principles (relating to compactness, connectivity, mixed use, multi-modal transport, resource-efficient buildings and infrastructure, etc.) that can reduce energy demand.

- Design and manage Arab cities with a view to increasing their resilience to climate change and natural disasters as a priority. Strengthen institutional, financial and technical capacities to foster urban resilience and disaster risk management at all levels.

- Apply enhanced water management practices and greater efficiency of usage with the conservation, reuse and rationalization of scarce water resources. Impose modern collection, treatment and disposal systems, including recycling, reuse and recovery.

- Strengthen solid waste management in the context of ever-increasing urban populations, with recycling initiatives as means of reducing the reliance on landfill sites.

- Expand renewable energy projects in the Arab region, in particular solar and wind power, and expand green economy principles in order to alleviate the existing reliance on fossil fuels and reduce air pollution affecting the health of Arab populations, particularly in major urban centres.

VII. Urbanization and governance

214. The impacts of rapid urbanization across the Arab region are exacerbated by fragmented and complex legal and institutional structures that are often ineffective in implementing policy. Limited coordination between the different ministries and institutions responsible for urban development, between central and local levels of governance and among local government units complicate the implementation of comprehensive and transparent governance frameworks.

215. Central technical agencies and ministries set national, regional and local urban policies, while the power of municipal authorities is restricted to the implementation of local plans. Although this has allowed cities to undertake infrastructure improvements, efforts to enhance the capacity of municipal
Local authorities in order to decentralize administrative responsibilities have been uneven. The prevailing trend has been to devolve responsibilities to the local level without the necessary fiscal decentralization. Municipal governments often lack the trained personnel to plan and manage urban growth and do not have the power to set local taxes and fees; they depend on transfers from central or regional governments to finance their investments and operational activities. This financial dependency of municipalities on central government introduces a political dimension to central-local relations that partly erodes the benefits of participatory local governance. With local governments providing limited services, civil society organizations have played an important part in supplying health, education and relief services to the poor.

216. Region-wide, the availability of objective, accurate and comparable data on urban development trends is deficient. The lack of data complicates the analysis needed to understand the causes and determinants of urban dynamics and to provide the information needed to support and monitor decision-making. Despite efforts to improve data management, appropriate policymaking for urban development remains a challenge and the ability of governments at all levels to make informed decisions is hampered. Furthermore, governance institutions in many countries are hostile to efforts to increase the transparency needed for good governance and social accountability.

A. Decentralization and central-local relations

217. Arab countries have a long tradition of centralized state administration, the exceptions being those, including Libya, Somalia, Sudan and Yemen, where the tribal structure of society has generated local self-administering federal systems. Reforming entrenched bureaucratic processes without disrupting governance is a lengthy undertaking. Aside from the oil-producing countries, this task has been made more difficult by the departure of the more qualified professionals from public administration primarily to seek higher paying jobs in the private sector. In the more centrally controlled economies, such as Egypt, this trend started in the 1990s with economic liberalization and the privatization of many public-sector enterprises in countries like Tunisia. Despite the challenges, many countries in the region have implemented decentralization policies with varying degrees of success in bringing governance closer to citizens and creating free and just societies.

1. Mashreq

218. Local government legislation since the mid-1990s has increasingly decentralized various responsibilities for urban development to local authorities, while most central governments have retained control over financial resources redistributed through transfers to the local level. In Egypt, the governorates are the primary local authorities concerned with urban service provision and coordinate directly with the various ministries through the ministries’ branch offices and executive councils. The Building Act, Law 119 of 2008, broadened the powers and mandate of these councils in relation to territorial management and planning, financial autonomy and consultation of stakeholders in development processes. The General Organization for Physical Planning in the Ministry of Housing, Utilities and New Communities is still the primary agency responsible for the preparation of national, regional and governorate plans and provides support to governorates in the development of their structure plans, master plans and detailed plans.

219. Several legislative amendments in Iraq have worked to devolve numerous functions to provinces and municipalities following the central government shift from a centralized to a more federal state in 2003. The most recent amendment was made in 2013 to the Provincial Powers Act or Law 21 of 2008, which remains controversial and incomplete. Despite the progress towards a decentralized state, several challenges remain, including the adoption of administrative decentralization by central and local authorities, overlapping responsibilities, coordination and greater authority of the provinces over local jurisdictional matters (Iraq, 2014).

220. Jordan introduced new legislation on administrative decentralization in 2014, outlining the principles of the decentralization framework and it was agreed to review existing legislation to ensure that local administration was being implemented. Municipalities in Jordan are financially independent but coordinate with the Ministry of Municipal Affairs in the fields of urban planning, street maintenance, solid waste collection, building permit issuance and setting taxes and tariffs. Prior to the turmoil in the Syrian Arab Republic, the Ministry of Local Administration produced a Draft Law on Local Administration, which included the decentralization to the governorates of responsibility for regional transportation and other functions related to services, the economy and culture.

221. According to Decree 118 (1977), in Lebanon municipalities have jurisdiction over works of a “public character”. In 2009, additional responsibility for road construction and improvements and public transport management was decentralized to the municipalities. Given their broad responsibilities and the administrative constraints they face in terms of human and financial resources,
municipal unions have emerged as a way for city councils to consolidate their capacities. Thirty-six of the 48 municipal unions in existence today were formed in the last 10 years (Atallah, 2012).

222. Among the countries in the Mashreq, local political autonomy is particularly strong in the State of Palestine given the territorial fragmentation caused by the Israeli occupation. This territorial split and accompanying governmental split during the 2000s further decentralized authority and service delivery as provided for by the 1997 Local Government Act passed by the Palestinian National Authority. In 2005/2006, several joint councils were created to undertake service provision and development planning. Elected councils in the municipalities and villages are responsible for town planning, water and power provision and granting building permits.

2. Maghreb

223. As in the Mashreq, local governance systems in the Maghreb have been influenced by the Ottoman legacy, but also include features that reflect the colonial legacy of the French in Algeria, Morocco and Tunisia. Since Habitat II, however, several reforms, particularly since 2011, have sought to tackle the mismatch between administrative decentralization to subnational governance units and central control over local government finances.

224. Tunisia’s new Constitution promotes the autonomy of municipalities, departments and regions, including their ability to engage in international partnerships (article 140). Prior to the revolution, decentralization, while promoted in legislation such as the 1997 local taxation code, was constrained by poor coordination between national, regional and local urban plans and limited human and financial resources. Decentralization was most practically pursued through municipal development projects (undertaken in 1992 and 2010) (World Bank and Government of Tunisia, 2015). Under the new Constitution of 2014, local authorities are responsible for local service provision in an autonomous, transparent and participatory manner (chapter VII).

225. The Moroccan experience since the mid-1990s is distinguished by the creation of regions as the highest legal, subnational, territorial division. The regions represent an important step towards implementing policies aimed at balancing territorial development and are in line with a policy of gradual decentralization and local democracy. In Algeria, the powers and legal character of the provinces (wilaya) and communes are set out in Act 90-08 of 1990. Legislation passed in 2011 aims to enhance citizen participation and associative management of local services (Algeria, 2014). Turmoil in Libya is affecting Algeria and makes it unclear whether the preferred administrative structure of the country will remain federal or move towards a decentralized, unitary state.

3. Gulf Cooperation Council

226. Central-local government relations and the development of decentralized power structures in the Gulf States are marked by increasing public participation in governance through popular elections, though municipalities in these States have gained little autonomy in the past two decades. Saudi Arabia held elections for half of the membership of municipal councils for the first time in 2005, with subsequent elections in 2011 and 2015. In the United Arab Emirate’s federal system, elections were held to elect half of the members of the Federal National Council for the first time in 2006. While central government agencies in Qatar deliver effective services and have made significant interventions in local development, the country created a directly elected Central Municipal Council in 1999 to advise on municipal infrastructure and development projects (UN-Habitat, 2012a). Similarly, councils elected in Oman are primarily consultative bodies that contribute to policy formulation and budget planning, although ultimate authority lies with the Head of State and the State Council. Elected municipal councils were established in Bahrain’s five governorates in 2002, but they exercise limited autonomy.

227. Several government strategies have recognized the municipal development gains that coordination with local authorities can bring, but devolution of responsibility to local governments is limited, except in Saudi Arabia, where regional and city councils have planning and development responsibilities for maintenance of public health, management of public space and issuing building permits. Saudi Arabia’s shift towards more administrative decentralization in the past 20 years is particularly marked by the establishment of regional authorities (amanat) and enhanced institutional capacity for municipal agencies through the transfer of buildings, equipment, and expertise to train municipal staff (Saudi Arabia, 2014).

228. The other Gulf States, most of which are highly urbanized city-states, coordinate services and decision-making through various central and local bodies. The 2007 United Arab Emirates Government Strategy stressed reform of public administration that would create greater synergies between federal and local governments. Local governments in Abu Dhabi, meanwhile, have worked to increase their operational efficiency and administrative capacity to strengthen the potential of
municipal decentralization. Legislation in Kuwait has vested subnational authorities with some executive powers. Kuwait Municipality, for instance, has decision-making power over commercial and building licensing, health and safety in the workplace, approving infrastructure projects and the planning and land acquisition that accompany those projects (Aly Khedr, 2010).

229. The holy cities of Mecca and Medina present unique urban governance and management challenges and opportunities. The significance of these sites for Muslims resulted in the establishment of a special Development Commission of Mecca, Medina, and the Holy Sites in 2004 to undertake comprehensive planning and oversee development, and a Hajj Higher Committee to manage all aspects of the annual pilgrimage, which brings over two million Muslims from all over the world to the holy cities. Furthermore, Medina was the site of the Arab world’s first Urban Observatory: established in 2004 with technical support from UNDP and UN-Habitat, the Al-Madinah Local Urban Observatory has inspired similar initiatives elsewhere in the Arab world to establish observatories that promote multi-stakeholder consultation in the local implementation of development plans and collect critical urban data on Habitat Agenda indicators to be used in drawing them up. Over 30 such urban observatories exist in Arab cities in 11 countries (ATO, 2016). While the observatory does not possess a legal character, it plays an important consultative role by informing central government decisions and plans and was directly inspired by the recommendations that emerged from Habitat II (Madinah Local Urban Observatory, 2009).

4. The region’s least developed countries

230. Decentralization efforts in many Arab least developed countries have had to be balanced by the establishment of order and security at the central level. Over the past two decades, governmental fragmentation has affected urban governance in Somalia, Sudan and Yemen. In these situations, decentralization has most often followed transitional government agreements, peace agreements or been codified in new constitutions. In Sudan, for instance, the 1998 Constitution consolidated the States in the country’s federal system and the signing of the Transitional Constitution following the Comprehensive Peace Agreement in 2005 granted them political authority to enact local legislation (Sudan, Ministry of Environment, Forestry and Urban Development, 2014).

231. In countries experiencing geopolitical fragmentation, such as Somalia and the State of Palestine, the approach to enhanced local governance has started with increasing local capacity to deliver services with objectives ranging from nation-building to the consolidation of peace. The UN Joint Programme on Local Governance and Decentralized Service Delivery in Somalia is one such effort, which began in 2013 and continues to strengthen the principles of decentralization contained in the various charters and constitutions governing the territories within the country.

232. International and donor support at the local level has also been a feature of decentralization efforts in Yemen, with the drafting of City Development Strategies for Aden, Hodeida, Mukallah and Sana’a. These international projects worked in tandem with an ambitious national decentralization programme launched in 2000 through the Local Authority Act, which established elected districts and provincial councils and delegated planning, development, and administrative functions to local councils. However, the varying willingness of tribal leaders to enforce the law, overlapping jurisdictions and responsibilities and the consolidation of the ruling party’s power in 2008 governorate elections jeopardized success of the reform and ultimately led to the outbreak of violence and the ongoing civil war that has disrupted central and local governance.

233. Djibouti has expanded its decentralization process by transferring more responsibilities to regions, which received legal status and financial autonomy in 2002 (Kellam, 2005). In the Comoros, the Constitution adopted in 2001 and amended in 2009 grants certain powers to the islands, though basic service provision and inefficiencies resulting from overlapping mandates remain outstanding challenges (International Monetary Fund (IMF), 2004).

B. Metropolitan governance

234. The growth of several of the region’s primary cities into large metropolitan areas poses governance challenges and creates new opportunities. The service delivery challenges of large urban territories and the interjurisdictional coordination required has prompted the consolidation of metropolitan service provision, such as the Joint Service Councils in Jordan.

235. New administrative divisions and the transfer of some administrative powers to metropolitan areas, while limited, have sought to enhance the management and development of such large urban areas, particularly in light of recent insecurity and instability. Metropolitan governance in Maghreb countries has been adapted from the French models of agglomération urbaine (urban agglomeration) and communauté urbaine (urban community) to ensure efficient provision of urban services across the local districts within the various agglomerations. In Morocco, the Act 78/2000 (amended in 2008)
introducing a local district charter established a special legal status for urban agglomerations and granted them greater responsibilities for local economic development and reducing socioeconomic disparities (Morocco, 2009). In other cases, such as the Greater Amman Municipality, metropolitan area governance is independent of the procedures and relations between governors and municipalities. In Khartoum State, Sudan, a provincial level of government is charged with the planning and management of Greater Khartoum.

236. In many countries, the mandate and financing of metropolitan levels of government is not clearly defined, leading to tensions with the local governments they encompass. The establishment of provincial levels of governance (regions) with elected presidents and councils focusing on economic issues has added to the potential for overlapping responsibilities. Multi-tiered systems of governance require reallocation of responsibilities based on subsidiary principles and a new means of coordinating the different levels to ensure the effective planning and management of urban centres.

C. Citizen participation

237. Habitat II in Istanbul marked a pivotal moment in urban development, with non-governmental organizations and community-based organizations participating in the global conference for the first time and promoting an approach that includes multiple stakeholder voices and partnerships between the public sector, private enterprise and civil society in order to reach desired outcomes. The unrest that has swept across much of the Arab world since 2011 has also heightened awareness of the importance of incorporating citizen voices into various aspects of urban governance.

238. However, people’s aspirations to achieve an equal and meaningful political voice in the shaping of their countries have, in many cases, not yet been fulfilled. In some countries, the participation of citizens, the media and civil society is shrinking, contrary to the hopes of those who participated in the uprisings that started in early 2011. Security concerns have led governments to introduce measures that include interventions in the operations of non-governmental and community-based organizations in Egypt and the State of Palestine, limitations on the right to assemble in Egypt and restrictions on the freedom of the press and freedom of expression in Jordan and Morocco. In both the State of Palestine and Iraq, civil society organizations have reported harassment by national and local authorities and interference in their affairs (USAID, 2013).

239. Nonetheless, there is growing recognition in several Arab cities and countries of the contribution participatory approaches to urban planning and community-based initiatives can make to improving the living environment, service provision and upgrading informal settlements. There has been some notable progress in the region, with the increasing frequency of, and wider voter participation in elections for some or all members of local and provincial councils, particularly in the Gulf. Electoral mechanisms are one aspect of citizen engagement, which also needs to be pursued through information, consultation and ultimate partnership in decision-making and implementing local development initiatives. Six ESCWA member countries have enacted or drafted legislation on access to information. As of 2012, five countries also had relevant legislation and institutions promoting public consultation and social dialogue through specialized councils, such as the Economic and Social Council in Lebanon (UN DESA and ESCWA, 2012). Over the past three years, Morocco and Yemen have engaged with civil society and solicited inputs on national policy through formal dialogues, while Jordan, the State of Palestine and the Kurdistan Region of Iraq have made efforts to empower the civil society sector and enhance partnership (USAID, 2013).

240. In the Mashreq, citizen participation in urban development is often pursued directly through elected councils at all levels of local governance or indirectly through civil society organizations, which fill critical service gaps in urban areas and, in some cases, are the most efficient service providers for the urban poor. In Egypt, the Ministry of Social Solidarity has produced drafts reforms of which fill critical service gaps in urban areas and, in some cases, are the most efficient service providers for the urban poor. In Egypt, the Ministry of Social Solidarity has produced drafts reforms of the current restrictive legislation and has engaged in a consultative process with civil society and non-governmental organizations to finalize a new law to govern the sector (State Information Service, 2014).

241. In the Maghreb, Morocco’s open policy towards the participation of civil society organizations has allowed for a dramatic increase of non-governmental organizations from approximately 8,000 in 1996 to over 30,000 in 2009 (UN-Habitat, 2012a). The events of 2011 reverberated in Morocco with the adoption of a new Constitution, which provides much of the foundations of participatory urban governance, including principles of democratic participation in decisions and projects, the citizen’s right to a decent home, cooperation and solidarity in the promotion of sustainable development and equal access to basic services. Citizen involvement in urban development has also been increasing through the development and implementation of the Politique de la Ville (City Policy), which was developed with multi-level stakeholder consultations and communicated through social media, reaching approximately 20,000 individuals. The new policy seeks to establish a new mode of
governance that helps to achieve integrated urban development through city contracts that embody a shared vision of an urban development project and establish a coherent framework for coordinated action by different parties (Morocco, Ministry of Housing and City Policy, 2014).

242. In Tunisia, the right to political participation is guaranteed in the new Constitution of 2014 and includes the right of citizens to freely elect their local representatives or run for local office, to assemble and demonstrate, to access information and participate in local budget decisions (Tunisia, Centre de formation et d’appui à la decentralization and GIZ, 2014). The amendment of the basic law on local district councils and participatory development of district investment plans constitute the legal framework of participation as Tunisia continues its political transition. While challenges remain, particularly in the coordination of stakeholders, several practical steps have advanced citizen participation. At the ministerial level, the Centre has developed a manual for local authorities and municipal councils to assist them in implementing participatory processes with technical assistance from GIZ. At the local level, Sfax launched a participatory budget programme in early 2015 and, since 2014, citizens of La Marsa have been co-decision makers in municipal budgeting and basic infrastructure projects.

243. Civil society organizations registered with the appropriate social affairs ministry in each of the Gulf States work primarily in the spheres of culture, sport, recreation, and the environment. Many countries have policies prohibiting their involvement in political activism or working on sensitive political and social issues. Nonetheless, the Gulf has seen the most significant expansion of citizen-elected municipal councils, which constitute an initial step towards greater participation of citizens (particularly women) in local decision-making. In Saudi Arabia, the Future Saudi Arabian Cities Programme, implemented by the Ministry of Municipal and Rural Affairs with the support of UN-Habitat has initiated participatory planning processes to support spatial planning in 17 Saudi cities (Saudi Arabia, 2014).

244. In some of the region’s least developed countries there are several barriers to successful citizen engagement. Others, such as the Comoros and Yemen, have fostered the growth and development of civil society organizations, enabling them to participate in local governance. Before the civil war, Yemen saw the emergence of approximately 2,000 such organizations, a quarter of the existing total, as part of a national dialogue process (World Bank, 2014). Citizen participation is the basis of local governance and democracy under article 13 of the 2001 Comorian Constitution, though it had already become a pillar of development through structural adjustment programmes affecting the agricultural sector. Sudan has taken steps towards citizen engagement, primarily through information-sharing on local plans and limited consultations, as has been the case in the development of the Khartoum State Structure Plan. In Mauritania, while decentralization processes have successfully established participatory governance principles among local governments and civil society, challenges in the effectiveness of citizen participation remain to be addressed.

245. In other countries, such as Djibouti, citizen participation is not mandated in any local governance frameworks. Civil society lacks the information on different local governance processes and projects needed to be involved (Kellam, 2005). In Somalia, the participation of civil society is concentrated in charities providing basic services and meeting humanitarian needs. Organizations are discouraged from participating in decision-making by some administrations in Somalia.

D. Local finances

246. Financial issues have loomed large in the prevailing situation of asymmetrical decentralization. Imbalances in political powers, functional responsibilities and financial resources affect urban planning and management to varying degrees at the different levels of local governance. Municipal finance, property registration procedures and tax rolls require reform to enable local authorities to finance their operations and capital investments. Key factors affecting municipal finance include:

247. Disregard for urban development regulations has become widespread, particularly since 2011, highlighting the need for realistic integrated national urban policy frameworks and a determination to enforce them;

248. The fluctuation of central transfers, particularly since the economic downturn in the countries affected by turmoil. Irregular and/or retrenched transfers have become the norm as countries such as Egypt seek macroeconomic stability by ensuring the financial soundness of the State;

249. The inadequacy of the technical and managerial capacities of local authorities to discharge their urban management functions and cumbersome bureaucratic procedures, lax enforcement of regulations, and the corrupting influence of low wages, particularly at the local level; and
250. The difficulties encountered in expanding local revenue, collecting taxes and instituting a property tax that can adequately capture the real value and appreciation of urban land.

1. Revenue sources

251. Despite the trend towards increasing devolution of planning and administrative functions, local budgets are still centrally controlled in almost all the countries of the region. During the turmoil, municipal budgets in the affected countries declined significantly due to loss of public revenue from national mineral and offshore sources and the difficulty encountered in tax collection to enable central transfers. More recently, municipal budgets have also tightened in oil-producing countries due to declining oil prices. Iraq and Sudan, already affected by armed conflict, and Sudan with the secession of oil-rich South Sudan, now also have to cope with the impact of falling oil and natural gas prices.

252. Local revenue sources in the Arab region primarily consist of receipts from property tax, taxes on economic activities and fees for public services, but low collection rates and low pricing often compromise local operating performance and the sustainability of service provision. Central transfers earmarked for capital investments end up subsidizing shortfalls in the operating expenditures of key services. Furthermore, the redistribution formulas in many countries do not give municipalities incentives to improve their financial performance. The only cities that can potentially raise significant local revenues are the larger, economically diversified centres. Lack of budgetary predictability has made it difficult for local authorities to track progress towards meeting their urban development objectives.

253. Publicly owned land, which is being transferred to municipalities under decentralization laws, is a key asset for local authorities because of its potential for financing urban development. Governments that finance shortfalls in operating expenses with land sales, however, compromise their development potential. The sale of public assets to fund operating expenditures has both long-term planning and financial implications and can only be a short-term expedient. Furthermore, the resulting unplanned spot development can become a major long-term challenge to the implementation of a coherent urban growth strategy.

254. The best use of land as a financial asset has been through partnerships with the private sector on specific development projects that comply with national spatial policies, such as development corridors, new towns, and economic zones. Tax rebates and exemptions are often granted to encourage affordable housing and cooperatives, as in Egypt and Morocco, a positive step towards ensuring the right to adequate housing as rising costs threaten to compromise it (OHCHR and UN-Habitat, 2009). In new urban developments, exemptions from one or more taxes are granted for periods ranging from 3 to 15 years to encourage investments in economic activities. These subsidies reduce tax yields, while their impact on export-oriented industries has been questioned. Complex tenure systems with layers of primary and secondary rights derived from customary rules and the fragmentation of property due to inheritance laws compound the problems of inadequate property records, identification of taxpayers and the billing and collection of taxes. Unregistered land titles are abundant in the region as high fees and cumbersome administrative procedures discourage registration and the issuance of titles, while additions to properties are largely unreported and untaxed. Furthermore, in most countries, informal settlements on the urban fringe are not taxed until they are regularized.

2. Local financial management

255. Operating expenditures dominate local budgets, with salaries, wages, buildings and equipment taking up large proportions of them, as in many developing countries. Recurring expenditures are funded by regular resources: central transfers, local taxes, fees and charges, shared revenue, recurrent block grants and earmarked taxes. Capital expenditures are budgeted and accounted for separately, although a lack of financial management skills in many countries does not allow a clear distinction between the two types of expenditures. Maintenance of infrastructure and capital investment with longer-term returns are often deferred as spending is directed towards projects with more immediate returns.

(a) Mashreq

256. Some progress has been made in the past two decades in revising the structure and rules governing central transfers and central/local fiscal relations in certain countries, particularly in the Mashreq. Municipal development funds have been established and in many cases restructured to increase their effectiveness. Taxes collected at the central government level in Lebanon are distributed by a dedicated financial instrument known as the Independent Municipal Fund. The modernization of Lebanon’s municipal finance system stands to benefit from recommendations that emerged from the World Bank’s First Municipal Infrastructure Project, approved in 2000, and new distribution rules are
being incorporated into a new decentralization law being drafted by a dedicated committee established by the Prime Minister.

257. In Jordan, municipal finances have been improved by encouraging municipalities to draft development plans, adopting a criterion of equity in the distribution of central grants to municipalities, setting up a financial management information system and promoting the issuance of municipal bonds. Central transfers account for 40 per cent of municipal revenues in Jordan and another 14 per cent comes from loans from the Cities and Villages Development Bank (CVDB) (Jordan, 2013). This bank is a noteworthy and longstanding example in the region of transfers to local authorities that work directly towards service improvements. The bank’s capital was raised from JOD 25 million in 1996 to JOD 50 million in 2002 and is capitalized by central government (68%), the Central Bank of Jordan (2%), and the local councils themselves (30%) (CVDB, 2015; Batson, 2004).

258. The Cities and Villages Development Bank provides funding through loans and technical and administrative expertise for infrastructure projects such as roads, pavements, libraries, public parks and solid waste equipment, at an interest rate of 5 per cent and a maturity of 12 years with a two-year grace period. Productive projects, such as slaughterhouses, industrial and artisanal areas and parking lots, receive loans at an interest rate of 6 per cent with the same maturity and grace period. In 2004, infrastructure and service projects accounted for 86 per cent of projects funded by the bank, while productive projects accounted for the other 14 per cent. Several municipalities are now indebted to the bank, which has prompted the Government to merge municipalities (reducing their number from 327 to 99), restructure them and allocate JOD 8.5 million to training staff and improving budgeting procedures. The financial situation has improved through an increase in the share of municipalities in the fuel tax to 6 per cent and the Ministry of Municipal Affairs paying off the outstanding debt (CVDB 2015; United Cities and Local Governments (UCLG) Country Profiles).

259. Despite the economic separation of its territory and the challenges of the financial crisis in the State of Palestine, exacerbated by cuts in international donor aid since 2010, the State of Palestine’s Municipal Development and Lending Fund, established in 2005, has made some progress towards enhancing municipal finances. It provides municipalities with grants to strengthen their financial management and build their creditworthiness to enable them to take out loans from the Fund to finance local infrastructure and services. The long-term objective of the Fund is to become the financial intermediary between local governments and central government/donors in the State of Palestine. It serves as a one-stop shop distributing funds to 134 municipalities through one channel, rather than a variety of donor and Palestinian Authority funding streams. Between 2005 and August 2012, it funded hundreds of small donor-financed projects amounting to $126 million, the projects ranging from municipal infrastructure, capacity development and other municipal activities. (State of Palestine, Municipal Development and Lending Fund, 2013)

(b) Maghreb

260. While transfers from central government and locally generated revenues are the dominant sources of local government finances in Morocco (61 per cent and 25 per cent respectively), borrowing for the construction of local improvements is on the rise and now accounts for 5 per cent of local resources. In 2007, Act 447-06 unified and simplified the local tax system and was accompanied by an improved organizational management framework that established local tax administrations. As of 2012, 52 per cent of urban district council financing came from local taxation (Morocco, 2014). Table 7 shows that local taxation accounts for less than half of state transfers channelled into total territorial financing in Morocco.

Table 7

| Financing of territorial communities in Morocco (in thousands of DH) |
|-------------------|------------------|------------------|
|                   | 1996             | 2012             |
| Local taxation    | 4 165            | 10 200           |
| State transfers   | 5 650            | 23 300           |
| Loans             | 585              | 1 996            |
| **Total**         | **10 400**       | **35 496**       |

*Source: Morocco, 2014*

261. Municipal development funds established in the Maghreb include Morocco’s Fonds d’Equipement Communal and Tunisia’s Caisse des Prêts et de Soutien des Collectivités Locales, which provide municipalities with long-term, low-interest credit to finance revenue-producing projects. While many municipal development funds have been poorly managed or have not found
financial sustainability, Morocco’s has been restructured in recent years to overcome some of these shortcomings. With technical assistance from the World Bank, it now finances a broad range of projects in which local government may only be a partner. These include the development or rehabilitation of housing and the construction of wholesale and retail commercial centres, sports venues and tourism-related facilities. Loan terms can be to 15 years at an interest rate based on the central bank discount rate at the time the loan is approved, but not less than 6.25 per cent. The Fund’s operations have grown relatively slowly, from a loan portfolio of $511 million in 2002 to $1,311 in 2013. In 2012, 56 per cent of loans were issued for urban development purposes (Fonds d’Équipement Communal, 2012).

(c) Gulf Cooperation Council

262. Local governments in the Gulf are financed almost exclusively from central government transfers generated predominantly from oil revenues. While local authorities in Saudi Arabia may collect certain fees for advertising, building permits and business registration, fee levels are set, collected and redistributed by the Ministry of Finance. Given their special status, the capital Riyadh and the holy cities of Mecca and Medina manage their own finances and have separate budgets (UN-Habitat, 2012a). Borrowing by local authorities is limited, except in Bahrain and Kuwait, which have established legal provision for municipalities to take out loans in their constitutions (Adib, 2008).

(d) Arab least developed countries

263. States and the sub-State districts in the least developed countries rely on a combination of unpredictable levels of financial transfers that depend on national revenue and international donor aid, both of which have been significantly affected by turmoil and civil war, as in Yemen, or protracted conflict, such as in Somalia and Sudan. In Sudan, Greater Khartoum is home to 70 per cent of the country’s taxpayers and 81 per cent of taxes collected are collected in the urban area of the capital (Abdalla, 2008). In the current budget cycle, however, only half of Khartoum State’s funding requests have been granted by central government. The city is compensating for this shortfall through land sales. Yemen’s Local Authority Act of 2000 enabled municipalities to generate revenue locally from taxes, tariffs and fees and to receive central transfers for recurrent operating expenses, as well as central subsidies for capital investments (UCLG, 2014).

264. In 2005, the capital of the Somaliland region of Somalia, Hargeisa, established a geographic information system for property taxation and planning purposes with technical support from UN-Habitat. The system has increased property tax revenues from $169,062 in 2005 to nearly $700,000 in 2010 (UN-Habitat, 2012a). The ability of municipal staff to maintain and update the system has been a challenge and will require further capacity-building and training to achieve the potential contribution of the system to shoring up municipal revenue.

E. National urban policies and spatial planning

265. In December 2015, at the first Arab Ministerial Forum for Housing and Development held in Cairo, Egypt, the Arab Strategy for Housing and Sustainable Development 2030 was launched and was endorsed at the 2016 Arab Summit in Nouakchott, Mauritania in July 2016. It is the means of implementing and monitoring the 2030 Sustainable Development Agenda – particularly sustainable development goal 11: make cities and human settlements inclusive, safe, resilient and sustainable –, the New Urban Agenda in the Arab region, environmental commitments on urban resilience and the outcomes of the World Humanitarian Summit relevant to the Arab region on urban crisis issues. The vision for housing and urban development in the Arab region is dedicated to ensuring that “integrated and sustainable human settlements are resilient, competitive and provide for a better quality of life for all in the Arab region”. Objectives to achieve this vision include: access for all to adequate, safe and affordable housing and basic services; achieve prosperity, attain equity in development and social integration; plan integrated and sustainable human settlements in all Arab States; implement principles of good urban governance and build capacities to plan and manage human settlements; improve urban environmental sustainability; enhance adaptive capacity to climate change and protection of natural resources; and boost the productivity of cities to achieve economic growth and sustainable development at the national and regional levels.

266. Most Arab countries have adopted national urban policies and growth strategies reflected in spatial urban development frameworks. A national urban policy as defined and promoted by UN-Habitat consists of “a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term” (UN-Habitat, 2014).
267. Such frameworks are reflected in the national policies of Egypt to prevent the urbanization of valuable agricultural land, in the territorial master plans of the francophone Maghreb countries or through a series of sectoral strategies, as in Jordan. These frameworks should integrate local priorities while providing the general direction to ensure coherence and synergies between national programmes and local initiatives. In the Gulf countries, national urban policy formulation has been driven by the need to diversify their economies, primarily through investments in the knowledge economy and the associated territorial planning to facilitate this new sector, including the establishment of new towns. In the least developed countries lacking explicit national urban policies, a post-conflict period in the future could provide a much-needed opportunity to plan reconstruction and urban development in an integrated and mutually reinforcing way, as happened in Sudan. Stability and security, however, are necessary factors for a national consultation regarding any future vision of urban development.

268. Current national urban policies and spatial strategies in the Arab region integrate western spatial planning principles, combining models derived from the former colonial administrations with local administrative and legal traditions. Challenges in the implementation of national urban policies are often encountered as a result of lack of balance among development strategies at the national or regional levels and the resources, implementing capacity and plans developed at the local level. However, the concept of economic development regions is increasingly being adopted and adapted to each country’s special circumstances in the Maghreb countries and in Egypt. In 2005, Jordan explored the idea of regional councils within the governorates to coordinate plans and programmes for the region and piloted the concept in Madaba before opting for decentralization to the governorates for political and social reasons (Jordan, 2014).

269. Environmentally sustainable urban development is an acute challenge in the primarily semi-arid Arab region, which is the most water-stressed region in the world. The effects of climate change are anticipated to exacerbate the depletion of groundwater reserves by increasing the incidence and severity of drought. Decreases in precipitation threaten the ability of rural communities to sustain agriculture-based livelihoods and will spur further rural to urban migration. While coastal cities must seriously address the potential impacts of sea-level rise forecasts, there is an urgent necessity in countries where cities historically developed along the rivers to draw urban development away from valuable agricultural land. This is best reflected in Egypt’s urban policy since 1966 and exemplified in the case of Cairo, the region’s only megacity. Interestingly, this situation has led to development strategies focusing on economic regions, gateways, growth poles, smart nodes, and development corridors. In this context, the spatial dimension of urban policy is an integral component of the strategic planning framework.

270. As highlighted at the first Arab Ministerial Forum for Housing and Development, there is a need for spatial information technologies for land use and training in such technologies to mobilize them to play a role in shaping housing patterns in urban areas. Awareness-raising efforts were also highlighted and can play a role in the adoption of environmentally sustainable housing in design and planning.

1. **Mashreq**

271. All countries in the Mashreq have an explicit national spatial strategy or a series of policy directives that together constitute a national urban policy framework. In Egypt, national planning and development regulations have been amended and incorporated under a single law, Act 119/2008, which details the legal and institutional frameworks for planning and implementation, including visions, strategic plans and urban development plans at the national, regional and city levels. It also empowers local authorities to prepare structural and regional plans, although they can request assistance from the General Organization for Physical Planning, the central agency responsible for national and regional spatial planning.

272. The Directorate General of Physical Planning in the Ministry of Municipalities and Public Works of Iraq has a similar mandate to develop national plans and partner with cities and regions to prepare their master plans. However, most plans became outdated from 2003 onward and were not updated because of the security situation (Iraq, 2014). Forced displacement has disrupted natural urbanization patterns, prompting the Ministry to explore how to direct investments towards medium-sized cities and to develop satellite cities that can absorb urban expansion in urban centres with spatial growth constraints.

273. National urban policies in Jordan and Lebanon have had to shift focus from guiding urban development under familiar circumstances to dealing with a humanitarian crisis and its aftermath in their cities and towns. Jordan embarked on its first comprehensive map of land uses in the Kingdom in 2006, currently being updated to take into account the impacts of climate change. The Greater Amman Municipality undertakes all planning functions concerning the capital and has recently completed the
fifth Master Plan for the Amman metropolitan area (Jordan, 2014). In Lebanon, the Council for Development and Reconstruction was established in the post-war period and charged with national planning and urban master plan preparation. It produced the country’s first physical master plan in 2005 to promote principles of sustainable, balanced development and heritage conservation through land-use management.

274. In the State of Palestine, the combination of spatial planning and various land regulations inherited from the Mandate period and layers of regulations and physical barriers imposed by the Israeli occupation have created a framework that lacks the coherence needed for the spatial planning and development of urban growth.

275. In 2010, before the outbreak of armed conflict, the Syrian Arab Republic established the Higher Commission for Regional Planning charged with formulating the National Framework for Regional Planning to address regional imbalances and disparities in development opportunities and growth potential. The initiative, prepared with UNDP support, created a framework for spatial planning integrating the economic, social and environmental dimensions. It identified development corridors and key projects to alleviate disparities and foster growth and job creation.

2. Maghreb

276. Recent national urban policies in Maghreb countries have tended to focus on the development and promotion of secondary cities to balance economic opportunities across their territories. For the past two decades, the urban policies of Morocco, Tunisia and, to a lesser extent Algeria, have been marked by a strong political commitment to providing replacement housing to lower-income families in urban areas. Unrest in Libya has impeded the implementation of physical plans in the border regions of Tunisia and Libya’s own urban development strategies developed by the central Urban Planning Agency, including the revised and expanded National Physical Perspective Plan 2006-2030. A significant aspect of urban development in the Maghreb is the importance given to the spatial dimension of urban policies through a national land-use plan.

277. With the objective of rebalancing the population and economic activities in Algerian territory, increasing the attractiveness of inner cities, and preserving the country’s natural and cultural capital, Algeria’s national land-use plan 2030 sets our eight specific programmes on cities and urban development. The substance and objectives of the programmes are common to many other land-use plans in the region and include: encouraging economic growth poles along development corridors thereby integrating industrial zones; sustainable resource use; protecting and preserving cultural heritage; and rebalancing coastal development (Algeria, Ministère de l’Intérieur et des Collectivités Locales, 2006).

278. Morocco’s current land-use plan 2025 contains 51 spatial and sectoral directives for development, many of which deal specifically with urban territories. The spatial implications of urban growth require urban planning to address gaps in infrastructure and services, enforce building and construction regulations, reform housing policy and leverage cultural patrimony for development, which has been done successfully in Fez. The plan also calls for a reshaping of urban patterns, which is being pursued through various new initiatives, such as the City Policy.

279. In order to transfer national land-use plans to the local level, regional land-use plans are developed by regional authorities and master plans for urban development are prepared at the local level with the support of dedicated ministries or directorates. Local and regional authorities have increasingly gained capacity and support to complete these plans, though much further progress is possible. Tunisia’s new Constitution mandates local authorities to prepare such master plans before urban development projects can be approved. Mauritania’s 2010 Urban Planning Act provides the legal framework for the development of the national territorial policy. Article 18 of this new law calls for a participatory process in the development of the national land-use plan, including local authorities, private actors and civil society (Mauritania, 2010).

280. All the national land-use plans in the region are relatively up-to-date and countries such as Morocco have progressively amended the mandate and functions of their regional planning directorates to anticipate territorial interventions rather than address challenges remedially. This entails supporting increasingly decentralized planning functions and ensuring coherence of public action in the different spheres of urban development and planning.

3. Gulf Cooperation Council

281. Urban policy in Saudi Arabia and national policy in the smaller city-states increasingly focus on the development of new knowledge centres to promote innovation and technology. They continue to promote economically productive urban areas and policies that guarantee access to land and housing
for all their citizens. Many urban and national development policies also feature engagement with the private sector more prominently than in other subregions of the Arab world, which is not surprising given the wealth of the Gulf area and its attractiveness as a location for commercial, financial and real estate investments.

282. Many of the smaller Gulf States have recently completed development strategies that have a spatial dimension that guides the growth of their primary cities. These plans and strategies are often prepared in collaboration with large international firms. The Ministry of Works, Municipalities Affairs and Urban Planning of Bahrain is the primary body responsible for national urban policy and completed the 2030 National Planning Development Strategy in 2007, while the General Secretariat of the Supreme Council for Planning and Development is the entity responsible for Kuwait’s Vision 2035. The Supreme Committee for Town Planning of the Sultanate of Oman launched a process to develop the country’s first National Spatial Strategy in 2010, while Qatar’s high level of urbanization (99%) has made national development strategies and vision de facto urban policies (Freiland, 2015). The Qatar National Vision 2030 was formulated in 2008 through a consultative process with Qatars representing the public, private, and civil society sectors, including women and youth (Qatar General Secretariat for Development Planning, 2008). Urban and regional structure plans for 2030 have been prepared for Abu Dhabi (the capital), Al Gharbia, and Al Ain by the Abu Dhabi Urban Planning Council in the United Arab Emirates, while Dubai’s 2020 Urban Master Plan has been prepared by the Dubai Urban Planning Steering Committee in collaboration with foreign consulting firms (Abu Dhabi Urban Planning Council, 2015; Dubai Municipality, Planning Department, 2012).

283. Given Saudi Arabia’s centralized administrative structure, the national urban strategy primarily vests responsibility for both strategic decisions and project implementation in the Ministry of Economy and Planning and the Ministry of Municipal and Rural Affairs. The first National Spatial Strategy was developed in 2001 by the Deputy Ministry of Town Planning under the Ministry of Municipal and Rural Affairs and is currently under review. The strategy focuses on managing urban-rural linkages and recognizes the need to promote the role of small and medium-sized cities in economic development and their capacity to balance population distribution through investment. Like other spatial strategies in this arid region, spatial configuration along infrastructure corridors is essential to integrated urban development across the country. However, Saudi Arabia does not have comprehensive legislation on spatial strategies, urban plans, and public participation, although the current spatial strategy did benefit from unofficial public consultations (Saudi Arabia, 2014).

4. Arab least developed countries

284. In the least developed countries, national urban policy is often integrated into the national development policy. In the subregion’s federal systems, states or provinces are often responsible for the development of regional, urban, and local plans, which are then approved by a central agency or ministry. Capacity constraints in Yemen that prevent local authorities from preparing plans mean that most of the work is still done by the recently established General Authority for Land Survey and Urban Planning (Dabbas and Burns, 2011). The turmoil that began in 2011 had already begun to compromise the Government’s ability to develop urban policies and implement programmes. In countries where provinces have retained capacity to produce spatial and urban development plans, mechanisms to bring them into line with national policies are needed to ensure coherent management of urban growth. Many countries in this subregion are currently experiencing conflict that hinders the national cohesion necessary to develop integrated national urban policies. Somalia is just one example of this.

285. In Sudan’s federal system, wilayat or States are entrusted with urban and rural planning. They prepare provincial structure plans, city master plans, and rural development plans. In an effort to enhance central coordination, the National Council for Physical Development was established in 1996 to oversee physical planning and development at the national level. Since its inception, it has enacted general planning directives that have led to the preparation of structure plans for state capitals and regional development plans for Khartoum, Gedaref, South Darfur, Northern, Blue Nile, and Kassala States. The Council is also preparing projects for urban observatories and a national sustainable urban development strategy (Sudan, Ministry of Environment, Forestry, and Urban Development, 2014).

286. In Comoros and Djibouti, planning systems have developed based on French models. The urban agglomeration of Djibouti is currently in the process of updating its master plan on land use and urban planning, which was initially adopted in 2000. Current objectives focus on the growth of port and industrial activities to strengthen Djibouti’s position as a gateway to East Africa, while continuing to shift demographic pressure to secondary cities (ADDS, 2012).
5. Policy considerations

- Conduct appropriate legal and institutional reforms to facilitate the implementation of policies.
- Enhance coordination between national ministries and institutions responsible for urban development and local levels and between local governments in order to bring about comprehensive and transparent governance frameworks.
- Increase the effectiveness of decentralized governance, political and fiscal decentralization and enhance the ability of municipalities to generate their own resources to supplement transfers from central government. Strengthen local technical capacities to plan and manage urban growth.
- Enhance metropolitan governance and tackle the inter-jurisdictional coordination of large urban areas in order to deal with urban development and management challenges, particularly regarding extending equitable access to basic urban services.
- Reform municipal finance, property registration procedures and tax rolls to enable local authorities to finance their operations and capital investments, capture the value of urban land and advance efforts to regularize the informal economy as a means of generating local revenues.
- Enhance citizen participation in various aspects of urban governance and build the necessary institutional and technical capacities to integrate citizen contributions to urban plans, policies, monitoring and implementation.
- Strengthen linkages between local governments and civil society organizations in community-based initiatives to improve the living environment, provide basic urban services and upgrade informal settlements. Engaging urban citizens in effective participatory processes requires concerted efforts to build the capacity of civil society and its organizations, particularly for marginalized groups. Their participation can be encouraged and facilitated through information and communication technology-enabled governance.
- Coordinate post-conflict recovery and reconstruction with local authorities to enhance the resilience of areas affected by conflict and build the necessary institutional and technical capacities.
- Advance objective, accurate and comparable data on urban development trends in order to analyse urban dynamics and provide the factual information needed to support and monitor decision-making and policy formulation.

VIII. Conclusion: towards more inclusive, safe, resilient and sustainable cities

287. The goals of inclusion, safety, resilience and sustainability are of paramount importance to Arab cities and the Arab region as a whole. Over the past few decades, major urban challenges have emerged that need to be tackled. A new consensual approach to housing and urban development is much needed in the region to meet the needs and aspirations of its peoples. The identification and analysis of the main urban challenges and priorities facing the region will contribute to the ongoing global debate and the drafting of the New Urban Agenda and pave the way to a new approach to sustainable urban development in the region itself. There follows a summary of the issues and messages contained in this report.

A. Economy and employment

288. As of 2014, between 40 and 70 per cent of the population of the Arab region lived in cities and the bulk of national economic activity was concentrated in one or more large urban agglomerations. One of the major issues facing the Arab region in light of the increasing concentration of economic activities in cities over the last twenty years has been the creation of jobs for entrants to the labour force. The combination of mortality rates declining faster than birth rates and the emphasis placed by most governments on education has resulted in a sharp rise in the number of educated young people entering the labour force in most countries. As a result, all countries have faced the challenge of providing employment opportunities for one of the largest youth cohorts in the world. In many countries, there has been a growing mismatch between educational achievement and available jobs, resulting in increasing unemployment rates.
289. Measures to tackle the youth unemployment challenge should prioritize bringing education systems into line with productive employment opportunities and consider investment in vocational training and entrepreneurial activities. The continued advance and development of innovative tools and approaches to leverage remittances can also have a positive economic impact on urban communities that goes beyond individual receiving households.

290. Furthermore, the magnitude of the youth bulge has been a significant challenge to the region’s development and growing economic disparities have sharpened inequity of access to opportunities for advancement. Political, economic, and social exclusion, particularly affecting youth, was a major contributor to the political turmoil that started in 2011 and should be at the forefront of future development plans for urban areas in order to overcome widening disparities and foster stability in the region.

291. Generating broad-based and inclusive economic growth must be a central component of efforts to spur job creation, diversify the economy, tackle regional and urban economic disparities and promote economic development in secondary cities, new towns and along corridors for greater territorial balance of economic development gains. Comprehensive social protection interventions that link poverty reduction with labour market support and increased access to basic services are likely to have the greatest impact on reducing social inequities in Arab cities.

B. Population dynamics

292. The urbanization of several Arab countries has continued rapidly as a result of rapid population growth, rural to urban and international migration, economic transformations and environmental changes. Rural-to-urban and international migration, including war-torn and conflict-induced displacement, continues to drive urbanization and, in turn, is driven by the pull factors of livelihood opportunities, better services and enhanced quality of life and the push factor of the declining opportunities offered by the agricultural sector.

293. Certain segments of the population in Arab cities continue to face unequal physical, economic, or social access to land and property, income-earning employment, social protection, safe and secure public spaces and basic urban services, including health and education. Youth, and particularly young women, should be prioritized as critical development partners and provided with appropriate platforms on which to voice their concerns in order to improve local, national and regional development frameworks and, in turn, their access to jobs, education and services.

294. The combination of a high rate of urbanization, migrant remittances and a youthful population will continue to increase the demand for housing and urban services, putting pressure on local authorities to expand access to urban land and provide adequate infrastructure. Local and national governments should therefore promote, foster and incentivize the construction of affordable urban housing and urgently address soaring land prices and high rents, which are pushing young families out of the housing market and into peripheral and informal settlements, contributing to the physical expansion of cities. Reforming land titling and registration mechanisms will be necessary to address fragmented and unregulated urbanization, promote compactness and guide urbanization away from valuable agricultural land.

295. Violence and fear of violence have led to massive population movement and concentrations of displaced persons in urban areas. Conflict-induced displacement has accelerated urbanization processes and is one of the greatest challenges to managing urban population growth in the region. The scale of displacement often overwhelms the capacity of governments and local authorities to sustainably manage host cities and poses human and environmental challenges. New sustainable interventions and assistance procedures need to be forged that uphold the rights of refugees and internally displaced persons, including their right of return and restitution when peace, stability and security are restored.

C. Equitable access to the city

296. Improving social equity has been at the forefront of citizen calls for change and become a hallmark of most countries’ visions for their development. The reality and perception of exclusion among vulnerable populations and the frustrated expectations among the middle classes built up political pressures leading to civil unrest and conflict in several countries of the region. Widening disparities within the urban space are marked by imbalanced geographic development patterns and a lack of universal, quality coverage and access to basic urban services and adequate housing.

297. Solving the challenges of sustainably financing and maintaining infrastructure and basic services is at the heart of increasing access to income-earning opportunities and adequate shelter solutions and services for existing populations and accommodating future urban growth. Achieving
greater social equity and empowering vulnerable and marginalized populations will mean: increasing the opportunities to earn a living wage; reducing barriers to affordable housing; ensuring adequate coverage and provision of quality education, food, health care and public services; protecting all citizens’ freedom from violence; and upholding their right to participate in governance, particularly at the local level.

298. The combination of a high rate of urban growth and the importance of the unregulated informal sector as a driver of urbanization has resulted in a decrease of landscaped public space per inhabitant in most countries of the region. Since the 1970s, the rapid appreciation of urban land values, which have doubled roughly every three years, have led to a segmented market characterized by widespread speculation, the illegal subdivision of agricultural and vacant land on the urban fringe and the accelerated use of remittances. The dynamics of the real estate markets of unstructured metropolitan areas have led to sprawl. Such spatial growth includes the expansion of informal settlements and their rapid densification on valuable agricultural land, compromising livelihoods, environmental conservation and food security. The delineation of urban administrative boundaries should take into account the land needed to accommodate future urban growth in order to preclude haphazard development and incompatible juxtapositions of land uses. Complicated titling and registration processes that combine traditional systems with modern registration laws in some Arab States will require reform if land and housing strategies in the region are to be effective at providing adequate housing for the population. Furthermore, the development of integrated policies should be a proactive rather than a reactive exercise and must seek to ensure that spatial planning processes are consistent with socioeconomic, cultural and environmental priorities in order to bring about more equitable urban development.

299. Public spaces in Arab cities have an important social function as they provide places where different social groups and income classes can mix. These include historic souks, commercial streets, markets, public parks, corniches and waterfronts. Ensuring these places remain open and inclusive is crucial to social cohesion in the face of restricted access to public spaces. Safety and freedom from the threat of abuse and harassment plays a critical role in ensuring the accessibility of public space, particularly for women and girls.

D. The environment and climate change

300. The greatest environmental challenge in the Arab region is water scarcity. Current water use patterns are unsustainable, with water consumption exceeding renewable water supplies and having reached critical levels in several countries. Climate change-induced temperature rises and declines in precipitation are projected to increase water scarcity and the frequency of severe droughts in all countries of the region and to decrease agricultural productivity by 10 to 40 per cent, potentially leading to further poverty-induced rural to urban migration. Sea-level rise and the future water and food insecurity threatening rapidly growing urban populations are the defining climate change-related problems that countries of the region need to address. Furthermore, inadequate municipal management of solid waste and increasing air pollution brought about by urban industries and aging vehicles are compromising the health of urban dwellers and the attractiveness of urban spaces.

301. Addressing these environmental and climatic challenges will require expanded policy measures and planning strategies to guide urban development in a way that is consistent with the protection of natural resources. Planning decisions and the enforcement of development regulations should be underpinned by assessment of potential exposure and vulnerability of sites and populations to increasingly frequent and severe climate shocks and stresses. Working towards global and regional strategies and frameworks can strengthen knowledge exchange around approaches to adaptation, financing and technology solutions and contribute towards building bridges between national strategies and international commitments.

302. Enhancing the effectiveness of the implementation and monitoring of green standards is critical if countries are to benefit from greater development gains from greening the economy and the built environment. Incentivizing innovation in green technologies can continue to bring down the cost of renewable energy sources and decrease dependence on more polluting sources. Measures to limit pollution and greenhouse gas emissions, including investment in sustainable, low-emission forms of transportation and recycling initiatives also need to be scaled up in the region to protect the well-being of city residents. The green economy and the potential for renewable energies such as solar and wind would improve the living environment and enhance competitiveness. Science, technology and innovation brought about by the smart cities concept have the potential to support the development of sustainable and resilient cities in the Arab region.

303. Support for environmental research in the Arab region needs to address pollution, waste management, water shortages and the impacts of climate change. Institutional, technical and financial
capacity-building efforts should aim to enhance the development and enforcement of environmental regulations by the relevant agencies. Urban planning strategies and policies should aim to preserve valuable resources, protect environmentally sensitive areas and provide adequate green spaces.

E. Urban governance

304. All countries in the region share a tradition of centralized institutions and most local governments do not have the capacity to adopt and implement urban growth management strategies. They depend on national agencies for the preparation or approval of their development plans and, because they are unable to set local property taxes and fees, on central government transfers to finance their capital investments and most operational costs. Branch offices of line ministries typically manage the delivery of local services but lack the authority to develop programmes on their own. The successful decentralization of development functions will require legal and institutional reforms accompanied by a strengthening of the technical and financial capabilities of local authorities, particularly in order to implement at the local level national development plans and spatial strategies and to be able to integrate citizen feedback in the development of locally coordinated plans. Fiscal decentralization will most notably require the enhanced ability of local authorities to generate their own resources and finance their operations and investments, including the capacity to levy and collect local taxes.

305. Governance shortfalls played a role in the turmoil that the region is now witnessing and, in some cases, the exacerbated insecurity in many Arab cities. The unrest that affected some countries in the region starting in 2011 temporarily halted progress towards the attainment of liveable, productive and resilient cities underpinned by demand-driven governance. Public participation and strengthened linkages between local government and civil society organizations in community-based initiatives should be undertaken with a view to ensuring that urban planning and governance are responsive to urban populations’ needs and aspirations. In large urban agglomerations, the responsiveness of urban authorities to citizens can be enhanced through greater inter-jurisdictional and metropolitan coordination among subnational authorities.

306. The ability of national and local governments to develop realistic visions for the future has been eroded by the impacts of war, occupation and conflicts and should urgently be restored. In several countries, cultural heritage and the social fabric, which are among the region’s most valuable assets, have been adversely affected in recent and continuing conflicts. When current conflicts in the region are resolved, all levels of government in the region should have a role in fostering inclusive and sustainable reconciliation, restitution and reconstruction frameworks. Development and reconstruction efforts should consider urban development priorities related to political stability, inclusion, renewed economic growth, social equity, and the improvement of the quality of life of all citizens, at the same time ensuring environmental sustainability and commitment to tackling the root causes of conflict in order to prevent conflict in the future.
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