

**THIRD TOURISM DEVELOPMENT PROJECT
SECONDARY CITIES REVITALIZATION STUDY**

Karak

City Revitalization Program

Main report

JOINT VENTURE OF COTECNO WITH ABT ALCHEMIA CDG MGA

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Abbreviations and acronyms

CAS	Country assistance strategy
CH	Cultural heritage
CBO	Community based organisation
CRP	City revitalisation program
DOS	Department of Statistics
EA	Environmental Assessment
GKM	Greater Karak Municipality
GOJ	Government of Jordan
IBRD	International Bank for Reconstruction and Development
ITFCSD	Italian trust fund for culture and sustainable development
JTB	Jordan Tourist Board
MENA	Middle East and North Africa
MOE	Ministry of Environment
MOMA	Ministry of Municipal Affairs
MOPIC	Ministry of Planning and International Cooperation
MOTA	Ministry of Tourism and Antiquities
NEAP	National Environmental Action Plan
NGO	Non Government Organization
PA	Public Awareness
PPP	Public-private partnership
STDP	Second Tourism Development Project
TOR	Terms of reference
TTDP	Third Tourism Development Project
UNESCO	United Nations Educational, Scientific and Cultural Organisation
URP	Urban regeneration program
VEC	Valued Environmental Components
WB	The World Bank
WHL	World heritage List
WTO	World Trade Organisation

1. Context

1.1. NATIONAL BACKGROUND

Jordan is a middle income country, without significant natural resources, that relies primarily on its human capital for development. However, unemployment and underemployment remain high, and pockets of poverty persist throughout Jordanian territory, including the centers and peri-urban areas of its cities.

The country is **highly urbanized** (79% of the population in 2004). The northern, more fertile part of the country has been historically more urbanized than the southern, which is largely a desert where water resources are scarce, except for the growing port city of Aqaba on the Red Sea. Amman metropolitan area accounts for more than 50 % of Jordan's population, contains about 80% of the country's industrial sector and provides jobs for more than half of the country's population. The problems of unemployment, poverty and lack of opportunity are becoming more and more pressing in the secondary cities in the centre of the country which cannot compete with the two major growth poles and rapidly expanding metropolitan areas of Amman and Aqaba.

The main reasons for the **economic stagnation in the secondary cities** in Jordan can be summarized as follows:

- 1) agglomeration economies of Amman and Aqaba attract economic activities away from the secondary cities;
- 2) return of migrant workers and their families from the Gulf countries caused loss of remittances and created pressure on the job market and urban services;
- 3) the political events in the region limit migration opportunities out of the country in search of employment;
- 4) the public sector, the most important employer in the country, is saturated and the private sector is not developing fast enough; and
- 5) the political crisis in the region leads to volatility of economic activity, and in particular in tourism sector.

Important **demographic growth** (3% annual population growth 1997-03) and migration from rural areas to regional centres put additional pressure on the land use of the secondary cities, that witness high level of residential construction having neither the urban planning nor the municipal management capacity to accommodate rapid population growth in an orderly way to preserve the urban morphology of existing cities and provide sufficient services and quality public spaces.

Rapid **urban population growth and uncontrolled urban expansion**, coupled with lack of economic opportunity for increasingly young population causes residential pauperization and commercial decline. Such pressures represent particular threat to the traditional historic cores and to their built heritage that are often abandoned or used increasingly inconsistently with the central function they have performed earlier in the life of the city and the hinterland around. The loss of historic cores puts at risk the survival of the oldest secondary cities in Jordan and as such, the survival of the distinctive urban culture and community traditions in this part of the Middle East.

The movement of accelerated urbanization that Jordan knew since the beginning of the 1970, combined with the demographic growth and the migratory waves of the populations, deeply transformed the socio-spatial structures of the country. The migratory movements, far from being reduced to only the exodus towards Amman, had affected all the Jordanian localities: migrations from small villages towards bigger villages; migrations towards the

small cities; migrations towards the few large cities; migrations from Palestinian camps towards the surrounding localities and to the large cities; sedentarization of tribes and pastoralists, nomads or semi-nomads...

In all of the Jordanian localities, the spatial and urban morphology, the way of life and consumption, the socio-economic structures, the social and collective forms of organization have been strongly affected and transformed. In this context, it is not exaggerated to say that **all the Jordanian towns are, to some extent, new cities**, which are formed by the assembly of various, more or less uprooted, groups, or "parts" brought back and juxtaposed. The local collectivities and communities, as collective structures having their formal and informal standards of organization, operation and regulation are far from being already accomplished or from being given realities in advance. Even in the case of the "historical cities" such as Madaba, Ajloun, Jarash, and to a lesser degree, Karak and Salt, Irbid and Aqaba, these local communities are rather realities in the course of construction and achievement through processes, which, still today, are far from being completed.

Urban development, demographic growth, massive arrival of populations of Palestinian and/or rural origin, as well as the socio-economic evolutions and socio-policies of the Jordanian society: all these phenomena have transformed the socio-spatial structures of these cities and have put under question the various components of their socio-urban traditions, to a point that makes it possible to speak today about "cities in mutation and transition" and "local communities in the course of re-composition and reorganization".

Under such circumstances, it is hardly surprising that **local communities do not value and do not preserve their cultural assets**, ranging from fenced off archaeological sites and the crusader castles to more recent urban fabric and traditional community public spaces that represent the Ottoman and post Ottoman architectural heritage and urban tissue. The urban history of Jordan is closely linked to the urban history of the region, where cities were part of the commercial trading routes. Should their heritage be lost, the collective memory of the whole region and human civilization will suffer.

The Municipalities are today **deprived of their political and institutional autonomy** and are still under the authority and the control of the Government. The designation of the Mayors and half of the town councilors is undoubtedly the most salient aspect of this loss of autonomy. This contributes to the weakening of the cohesion of the local communities and to digging a hiatus between the municipal institution and the local community.

The **legal framework** concerning urban management, heritage and building is quite comprehensive in Jordan. The key legislative texts include: Law of Planning Cities, Towns Villages and Buildings 79/1966, (planning and building regulations); National Building Law 7/1993 that covers, with 32 specialized codes, all aspects of building; Antiquity Law 21/1988 (antiquities and archaeology).

It should be noted that the Law of Antiquities protects architectural heritage dating to pre-1700 AD; later monuments are not under legal protection, thus leaving without any safeguard significant layers of the built heritage, such as heritage belonging to Ottoman Period. The interim law 49/2003 for the Protection of Urban and Architectural Heritage is expected to reform the sector, providing standards for the protection of architectural and urban heritage, preparing a list of all the heritage locations, provide the necessary finances for restoration and fairly compensate the owners of heritage sites in order to encourage them to protect the buildings they own.

Municipalities do not actually perform most of the town planning functions assigned to them by the law. Many of these functions are rather performed by one of the Central Government's de-concentrated agencies. The first responsibility assigned by the law 29/1955 to municipalities is town and road planning. However, no municipality, other than Greater Amman has created a Master Plan with a structural strategy for its jurisdiction. In fact, physical planning in Jordan is undertaken mainly according to the articles of the Law 79/1966. The

main authority responsible for the various planning acts sanctioned by this law is the Ministry for Municipal Affairs (MOMA). Municipalities can recommend adjustments to an existing plan, but the process is long and highly centralized, even after the ministry's restructuring of 2001.

Local consultations held in the framework of this study showed that an urban planning activity, involving more directly the local stakeholders, is needed and requested by the communities. Master plans are the result of a top down policy; therefore, they do not fully address the needs of the increasingly active civil society

Urban development remains tied to obsolete town planning instruments that are often too generic and fail to address the real requirements of a modern Jordan that cares for the past while looking for a development that corresponds more to its expectations. Master plans are mainly zoning plans, lacking both a strategic and a structural dimension.

Municipalities are not equipped with basic urban planning tools that would allow them to design viable projects, improve the level of services and generate local resources. Instead their dependence on the central government financial transfers and assistance is growing, while opportunities for generating resources from locating revenue and income generating projects on municipal land are diminishing. The available stock of land is to be found more and more on the periphery and not in the centre of the cities. The commercial centers, vegetable markets, and bus terminals (public spaces where social and economic exchange is taking place) are being located outside of the city cores and increase people's dependence on cars, reduce the accessibility and spontaneity of community spaces for interaction and cultural interchange, including with city visitors. The fragmentation of the private property in the older central parts of town precludes large redevelopment projects, with or without the participation of the municipality.

1.2. KARAK

Karak is believed to have originated from the late Bronze or early Iron Age around 1,200 BC. Mentioned in the Old Testament as Kir Hareseth, Kir Heres and Kir of Moab, it was once the most important city of the Kingdom of Moab. The city is mentioned in the Old Testament in reference to the relations which existed between Mesha, King of Moab, and neighboring Israel and Judah, around 350 BC. While the Roman and Nabatean periods were not clearly registered, Karak regained its prominence during the Crusader period when the first phase of the modern castle was constructed. Originally known as Crac des Moabites or La Pierre du Desert, the fortifications were built by Payen, Lord of Karak and Shobak. The Castle formed the most eastern part of the then Latin Kingdom of Jerusalem, ruled by King Baldwin of Jerusalem. The Crusader period saw continuous clashes between the Christian forces and those of the emerging Moslem Arabs to control of the trade routes between Arabia and Syria. The clashes culminated in the Battle of Hittin in 1187 when Salah Eddin regained the Castle and City as well as establishing hegemony over the region. In 1264 Baybars and later Qalawun of Egypt added further towers to the Castle. These survived until in 1840 when, as a reprisal against the people of Karak, Ibrahim Pasha of Egypt in the course of war captured and destroyed much of the fortifications. The majority of urban Karak was leveled in the last century as a reprisal removing any clear traces of previous settlements or buildings. The modern Karak does not have an evident urban tradition apart from the Castle with its towers and city walls.

Nowadays, Karak appears as an historical urban settlement placed on top of a hill beside a landmark castle, whose form is largely related to its defensive function and topographical location. Karak is isolated from the surrounding settlements by its elevation and by a network of wadis which contribute to its character and form. Around the historic core, there are the surrounding settlements of Marj and Thallajah. New Karak farther to the east was included in the Municipality jurisdiction more recently.

The historic core is the commercial and governmental centre of the region and a market town to surrounding farms and villages. Its attraction as a centre is strong and this is re-

flected in the quality and variety of the services it provides.

The **urban form** of the settlement is well defined as an anthropomorphic scheme characterized by the castle acting as the generator (head) of a trident road layout (Al Qal'a Street, Al Malik Al Husayn Street and Al Khider Street). These elements concur in the definition of both the urban structure of the historical core (body), and the functional distribution of economic and social activities within the city. The **castle** is the chief point of interest to the visitor, covering a significant portion of the area of the historic core. It is a "*typical Crusader construction with long dark, stone vaulted galleries lighted only by arrow slits from which large heavy arches lead off into other gloomy rooms*". While the rich historical past of Karak is nowadays visible in the castle, the walls and the towers, below the city there are other archaeological endowments, presently inaccessible beneath the historical layers built on them. The different levels may include remains from the Moabite, Roman, Byzantine and Medieval periods.

Karak Governorate, which covers an area of 3,217 Km², is located in the southern region of Jordan. Karak city, in Karak Sub-District within the Qasabat Karak District, is the main city in the Governorate and falls under the jurisdiction of the Greater Karak Municipality. In 2004 Karak counted a population of around 20 thousands and in the last decade experienced a demographic dynamic similar to the national level. Karak is characterized by a young population: around 50% are below 19 years and as such are school, college, or university students. The average annual household income of Karak Sub-District is just a little bit higher than the Governorate average; the poverty rate has declined in the last years by 10.52% from 1997.

Only 37% of the 15+ years old population of Karak Governorate are **economically active**, (only 12% of the females). This low level of activity is related to the high presence of young and the lack of work among women (a half of the inactive are housewives). In addition, 29% of the population is employed, only 8% of the females. The three labor intensive sectors are the public and armed forces sector (22% of the employed), which is up to now the far more attracting for high-skilled young seeking for work, agriculture (14%) and the education sector (19.6%). Particularly, agricultural sector depends mostly on foreign labor, and similarly the construction sector.

Unemployment rate in Karak Governorate is 21.5% and has increased in the last 2 years. This indicates a growing employment problem; there is a mounting discouragement among the potential workers who have become tired of seeking work: 72% of the economically inactive persons believe there are no jobs around.

While on the national level in 2004 the economic system has been able to create jobs in tourism related sectors (such as hotels, restaurants, real estate and personal services), in Karak the situation has been much less dynamic. The employment in public administration and defense and education has slightly decreased, while other sectors such as commerce, hotels and restaurants have been distinguished by job shedding. Manufacturing and agriculture have experienced a constant increase in the employment of labor force.

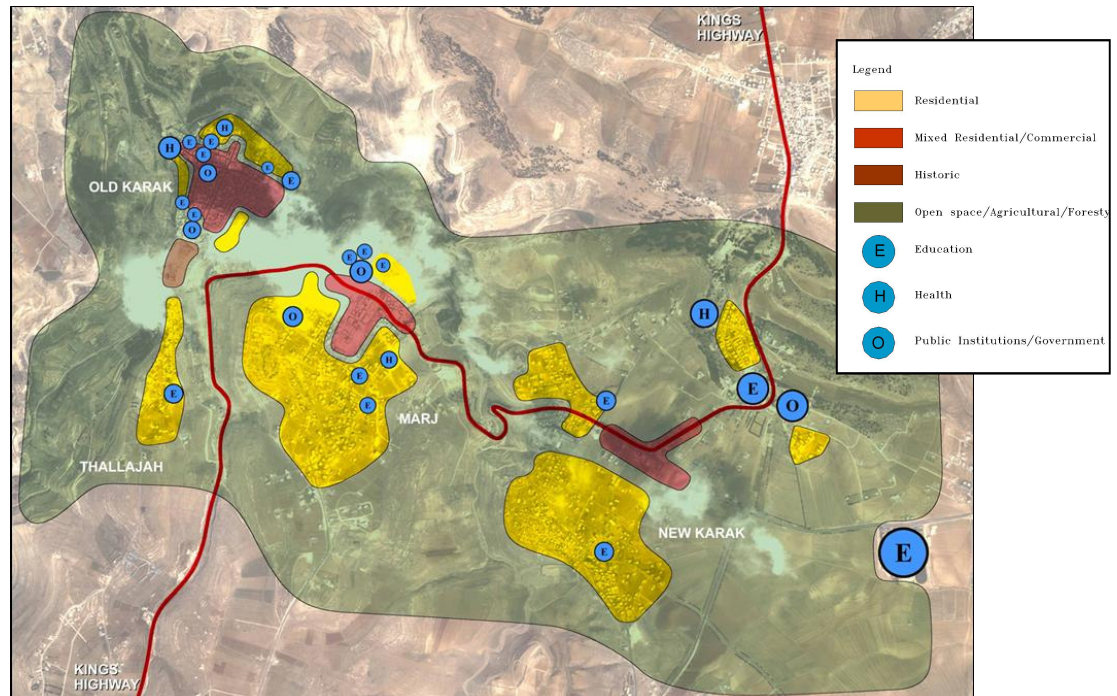
By the end of 2003 the Ministry of Labor has permitted 1,212 **foreign laborers** for work, 91% of them being Egyptians who work overall in agriculture, building and unskilled production.

The **private sector** is characterized by the small dimension of almost all establishments; around two third of the businesses are solely owned and half employ 2 or less employees. Services establishments have the biggest dimension and trade the smallest. 62% of businesses in Karak city are in the commercial trade sector. Shops being involved in similar professional activities or selling same products are often found in close proximity, thus lacking products variety as much as product quality. Handicrafts shops, which employ Jordanians from Karak itself, are minimal and mainly found around the Castle Plaza at the top of the Al-Ql'aa Street. Even if located in the most tourist place, such shops market their products almost entirely among neighbors and proximate community.

The **informal sector** is mostly led by women in their twenties and thirties who run their op-

eration by themselves and utilize skills gained through training or simply through the traditional way of life. For many of them, the home-based activity (with an average income of JD 45 per month) is the major income generator for the family or the individual and there is no other source of income. Finance is a major need of the informal sector; presently, seven institutions are offering micro-finance to approximately one thousand informal businesses. **NGOs and CBOs** play an important role in supporting the informal businesses and providing training and awareness raising, yet not all of them are motivated enough and community work is led by a few.

The **tourism sector** has a very limited development in Karak. Moreover, the number of visitors has declined over the past four years from nearly 133,000 tourists in 2000 down to 52,700 in 2003. This is a clear demonstration of the sensitivity of the tourism sector to political conditions, which, due to the Arab-Israeli conflict in Palestine and the Iraqi war, has increased instability during the last four years. Tourism related facilities are very limited. There is only one tour agent and a few souvenir shops around the Castle Piazza and along King Hussein Street. Karak city has five classified restaurants, four classified hotels (54 rooms, 98 beds) and four unclassified hotels (47 rooms, 117 beds). It is easily understood that the economic benefits and the direct impact on employment are very limited. The tourism sector employs around a hundred persons; most workers are either from other parts of the country or non-Jordanians and most of them are males. Currently there are somewhat negative views regarding working in the tourism sector; this view is stronger amongst the older generations, particularly against the involvement of women. However, investors in tourism not only hold positive attitudes towards tourism development but also stress the need for such development and call for more responsive actions from the government. They succeeded in partnering with the public sector when Karak managed to adopt a unique mechanism for managing the Castle Piazza – in the form of The Karak Castle Piazza Management Committee.



THE CURRENT MASTER PLAN

Upon the approval of its **master plan** in 1999, the jurisdiction of Karak Municipality includes, besides the historic core, the rural villages within the areas of Marj and Thallajah. For the

historic core, the plan identifies mainly commercial areas, while no direction is provided concerning residential areas. Currently, commercial activities are mostly found along the main streets, with dwellings located at the upper floors or in the outskirts. Commerce is the prevailing activity in the historic core, where it is concentrated, while in the surrounding villages only small shops are found. Commercial areas are concentrated around the Sahal Al-Din Square, where the main streets converge and the Umari Mosque (the most important mosque in town) is located. Schools (mainly located in the north side of the city) and public services are distributed within the limited space availability of the historic core. Public buildings are located around Al-Dawa'er Street and in the area surrounding the castle, dramatically contributing to congest the vehicular traffic. To summarize, the historic core is divided into four main areas: the Castle and its immediate surroundings, the core commercial streets, the main bus station and the residential areas. In the Castle area, the functions are basically related to tourism and government.

The decline of the historical centre, the degradation of its urban and residential fabric and the crisis of its functions of centrality are strongly related to the general **weakness of the municipal institution**.

Karak Municipality has always distinguished itself for a high level of revenue in comparison to the other secondary cities. (55 JD per capita in 96-97 while Madaba, for instance, had only 18 JD). However, municipal revenues of Karak dropped substantially in 2003-03, following the merger. Per capita revenues passed from approximately 50 JD per capita in 2000 to 32 JD per capita in 2002, still keeping a better position in comparison with other municipalities, mainly thanks to favorable governmental transfers.

When it comes to expenditures, Karak is characterized by a very high level of labor costs (approximately 16 JD per capita, 54% of the total amount of expenditures). This is closely linked to a significant overstaffing that has nothing to do with the actual level of services delivered by the municipality. On the contrary, the expenditure for maintenance of public space and municipal infrastructure scarcely reach 0.20 JD per capita in 2002 and 2003, of which 0,20 JD are devoted to street maintenance. Also the item concerning health and environment is negligible, between 0.20 - 0.25 JD per capita.

The institutional assessment has shown that the weakness of the municipal institution is manifested on several interdependent levels, including (a) urban planning and management; (b) management of public spaces and urban services; (c) promotion and enforcement of sanitary and public health rules; (d) absence of coordination between the municipality and the public utility companies; (e) weakness of human resources and qualification; (f) organizational weakness; (g) weakness of financial management and of revenues generated by the municipality; and (h) absence of mechanisms of accountability and of forms of participation of the local population and stakeholders.

The condition of the **municipal infrastructure** has revealed some shortcomings, mainly concerning the storm drainage network, the water system and the public lighting. There is only one **storm water drainage** line in the east part of the study perimeter, which drains to the nearby wadi. The existing drainage is not sufficient, and during rains the roads get flooded, especially in the eastern portion of the historic core and in the area near the bus station. The **water supply network**, built in 1986, is suffering from corrosion and from a high rate of leakage and loss. The historic core is completely served by the **public lighting** system, but the system is old and needs improvement. The present use of mercury vapor lamps contributes to the unsatisfactory standard of street lighting. The overall **traffic situation** is influenced by the characteristics of the street network and by the increasing density of vehicles. One major issue is related to the traffic of buses for local transport, that seem to prefer stopping into the historic core instead of fusing one of the two existing bus stations, thus increasing the difficulties of vehicular circulation.

2. Key issues

Nowadays, Karak has to face a number of key issues affecting its social and economic development. These key issues include:

- 1) **Substitution of population and residential pauperization.** The decay of residential fabrics forced a large part of the population to move to new outside residential areas. The population that succeeded includes immigrant workers (mainly Egyptians) and young couples from the surrounding villages. According to some estimations, original families are now less than 60% of resident population. A significant part of these families lives this situation as a condition of residential captivity.
- 2) **Change of commercial functions.** The commercial activities of the historic core changed to satisfy the needs of the surrounding villages, with an increase of banks, cheap clothes shops, furniture and white goods. On the other hand, higher quality shops, attracting the local families (namely middle-class), moved from the historic core to new outskirts.
- 3) **Conflict with proximity functions.** Given the lack of appropriate parking, the daily in-flow of population arriving in Karak by car and, above all, by bus, increases traffic problems of the historic core. Bus parking in residential streets causes significant nuisance to resident population. The historic core is not livable enough; parking and traffic problems induce the residents to prefer the outside commercial settlements for their shopping. However, in the afternoon, after the departure of the external visitors, the historic core is no longer enlivened and turns into an inanimate and deserted space.
- 4) **Physical decay of the urban environment.** Urban space is affected by physical decay, traffic and parking congestion (with the resulting visual and acoustic pollution), lack of appropriate management and visual clutter. Urban fabrics are threatened by uncontrolled urban growth dissecting the traditional urban structures. In the historic core, the storm drainage network is largely insufficient, and during heavy rains the core streets are the only means to convey storm water. Visual clutter, particularly in the busiest commercial areas, is the result of physical decay of buildings and public spaces, presence of solid waste, uncontrolled signage and wires, traffic jams and uncontrolled parking.
- 5) **Threats to cultural heritage.** The built cultural heritage is threatened by lack of maintenance, neglect and encroachment; the heritage is further threatened by the lack of awareness of cultural values and of an effective legal protection framework. The remains of the ancient fortifications are in conditions of decay, and the Castle is threatened by unconcerned town-planning.
- 6) **Lack of socialization spaces** namely for the youth that form the majority of the population and that are lacking in cultural, educational and leisure activities.
- 7) **Decay and crisis of public spaces.** The main factors that affect the urban environment of Karak contribute to decrease the quality of the urban space and of the experience of the city for residents, visitors and tourists. The central public spaces are disappearing or are used by a few social groups, often by the poorest or less rooted in the community. The main bus station, an important interface of the core with the outside, is in a condition of decay that causes inconveniences and discomfort to local population and visitors. The recent realization of a peripheral bus station did not successfully address the issue traffic congestion whilst hampering the integration of the core within its region context.
- 8) **Economic stagnation.** The local economy is affected by a number of factors leading to economic stagnation. Existing tourist activities and assets remain underdeveloped, and Karak remains only a stop on the route from Amman to Petra. The potential assets in terms of human resources, skills and culture, remain largely under-utilized.

3. Development objectives

3.1. VISION AND CONCEPT

The main challenge that the historic core of Karak is facing is to recover its urban centrality and be revived with a new "social and economic mission" within its regional context.

From a **social** point of view, the revived historic core must contribute to reconstruct social cohesion amongst the different social groups providing a common federating space for the entire population, where the cultural heritage is preserved and enhanced in both its symbolic and economic role, and urban space is improved for the benefit of residents and visitors.

From an **economic** point of view, the revived historic core will contribute to boost the existing tourism activities, which in Karak are concentrated mainly on the visit to the Castle, expanding the visitors' experience to include both the main commercial spine and a new heritage trail.

From an **urban** point of view, the focus is on the improvement of the socio-urban fabric, the recovery of commercial centrality and the improvement of the urban environment as a high quality civil space, providing new socialization spaces and managing the conflict of proximity functions.

The project aims at achieving this vision through a structured city revitalization program, that includes: (a) regulatory actions; (b) physical actions; and (c) capacity building actions.

3.2. DEVELOPMENT OBJECTIVE

The project development objective is to improve local economy and social cohesion in Karak by creating conditions for a process of sustainable revitalization of the historic core and tourism development.

The project objective will be achieved through assisting the GKM to rehabilitate the historic core and to improve the capacity to manage and maintain the public and heritage assets.

In this context, we assume that city revitalization is a positive transformation process of decayed urban areas, whose expected outcomes include: improved quality and livability of the historic core to benefit all city residents, occasional visitors and tourists; economic benefits for the target groups; preservation and improvement of the cultural assets; improved municipal management framework; and involvement of the private sector and the community in the city revitalization process.

3.3. KEY PERFORMANCE INDICATORS

The main impact/outcome indicators, selected to monitor the progress of the project towards the achievement of the objectives, are the following:

- 1) increased local employment;
- 2) increased employment in the economic sectors involved;
- 3) increased value added of the economic sectors involved;
- 4) increased local employment of the women;
- 5) increased local employment of the youth;
- 6) increased incomes.
- 7) increased municipal revenues;

8) increased municipal expenditure for maintenance.

The following table summarizes, for every indicator, baseline values and arrangements for data collection.

IMPACT INDICATORS	BASELINE	FREQUENCY AND REPORTS	DATA COLLECTION INSTRUMENTS	RESPONSIBILITY FOR DATA COLLECTION
1. INCREASED LOCAL EMPLOYMENT				
Occupied in the city	13,926	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
Activity rate	37.4%			
Employment rate	29.4%			
2. INCREASED EMPLOYMENT IN THE ECONOMIC SECTORS INVOLVED				
Commercial sector	4,500	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
Services sector	3,000			
Tourism sector	100			
3. INCREASED VALUE ADDED OF THE ECONOMIC SECTORS INVOLVED				
V.A. services sector	3.40 MJD	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
V.A. commercial sector	7.48 MJD			
4. INCREASED LOCAL EMPLOYMENT OF THE WOMEN				
Women occupancy rate	12.1%	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
Women activity rate	8.4%			
5. INCREASED LOCAL EMPLOYMENT OF THE YOUTH				
Youth occupancy rate	38%	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
6. INCREASED INCOMES				
Average individual annual income in the Governorate	502 JD	Periodical survey	Department of Statistics, House Income and Expenditure Surveys, periodically issued	Department of Statistics
7. MUNICIPAL REVENUES				
Total revenue from planning and development	4,133 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from planning and development	0.06 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total revenue from licensing of building and construction	79,878 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from licensing of building and construction	1.21 JD	Yearly from official municipal budget	Official municipal budget	Municipality

IMPACT INDICATORS	BASELINE	FREQUENCY AND REPORTS	DATA COLLECTION INSTRUMENTS	RESPONSIBILITY FOR DATA COLLECTION
Total revenue from job licensing	39,962 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from job licensing	0.61 JD	Yearly from official municipal budget	Official municipal budget	Municipality
8. MUNICIPAL EXPENDITURE FOR MAINTENANCE				
Total expenditure for maintenance of streets	7,801 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for pedestrian pathways	5,861 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for park and public gardens	1,058 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for water drainage system	140 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for street lighting system	5,289 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total indicator of maintenance	20,149 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita indicator of maintenance	1.87 JD	Yearly from official municipal budget	Official municipal budget	Municipality

TABLE 1 – OUTCOME/IMPACT INDICATORS

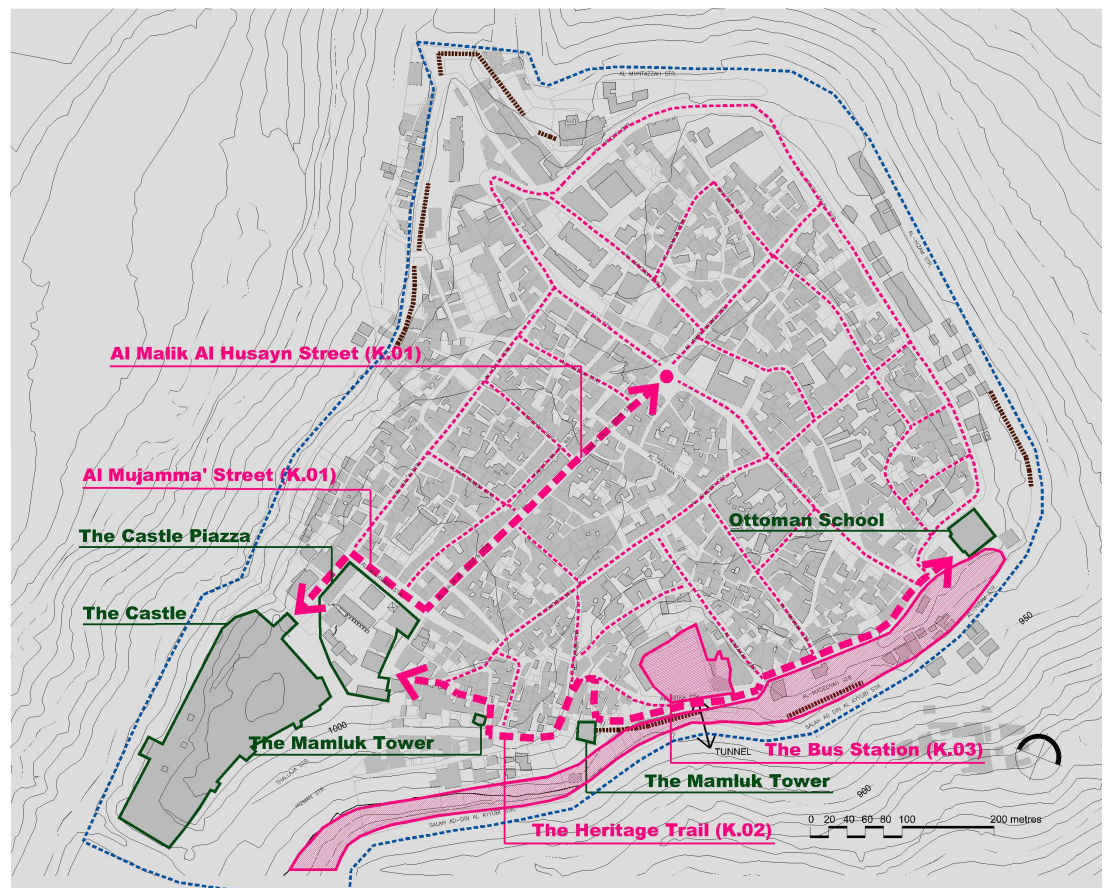
4. Description of the program

4.1. SCOPE OF THE PROGRAM

The **target area** of the CRP is the historic core of Karak. The perimeter is determined on the basis of the physical morphology, as the limit marked by the cliff, with an extension of approximately 56 hectares.

Within this perimeter, the most comprehensive actions of the program are concentrated on two urban structures.

The first action is focused on the enhancement of the urban axis composed by the **main commercial spine** of Al Malik Al Husayn Street, the group of heritage buildings located at the south-western end, Al Mujamma' Street, the new Castle Piazza and the Castle. Having discarded, on the basis of the recent experiences, the hypothesis of complete pedestrianization of Al Malik Al Husayn Street as premature at this stage of urban rehabilitation, a pilot parking management plan (51 parking stalls) involving the use of parking meters has been developed.



The second development axis concerns the creation of a new pedestrian path along the remains of fortification located on the south eastern edge of the historic core, providing a new pedestrian access along the remains of the city wall, connecting, through an **“heritage trail”**, the Ottoman School up to the Castle. Through landscaping and appropriate restoration, this

action will ensure the preservation and improvement of a portion of the historic core that lays in a condition of severe decay, and create a new quality urban space for residents and visitors.

These two actions will ensure high quality urban spaces for the benefit of the different social components, thus contributing to increase social cohesion. The new urban quality space will also increase the appreciation by the residents and the visitors of their experience of the city and will attract more visitors and tourists, thus contributing to boost the handicraft, trade and tourism related economic activities. The heritage trail will create also a new public outdoor space, that will cover an important deficiency of the core. It is assumed that new services will develop around this new axis, including cafes, restaurants and other forms of entertainment addressed to the youth and local population as well as to tourists.

Tightly related to this axis is the proposed **redevelopment of the bus terminal** area to create the necessary public space and a pole of activities. This action will include the development of a medium-size quality hotel, to improve the tourism facilities supply, and will complement the cultural attraction of the rehabilitated public space of the plaza in front of the Castle.

The overall **upgrading of the street network** and of the public space involves the entire perimeter. Using different weights of intervention, this action will mark the territory of the historic core as a quality urban space, but will be limited to the “horizontal” part of the space (public property). The approach of the city revitalization program to the upgrading of the public space is two-fold. The upgrading of the “horizontal” part, typically public property, is ensured by the direct intervention of the project that will fund and implement the overall upgrading of the street network and of the public space. The upgrading of the “vertical” part (i.e. the façades of the surrounding buildings) will be facilitated by the new regulatory framework that will ensure an appropriate level of quality and sustainability of all the building activities, within the perimeter. After adoption and enforcement of the new regulatory framework, all the building activities carried on within the perimeter will contribute to the achievement of a highest quality space.

The most significant actions will concentrate on Al Malik Al Husayn Street (main axis) and on other important streets such as Al Khider, Al Qal’a, Al Maydan, Al Malek Talal and Al Jami’Allumari Street.

While the physical actions described herein will have the most immediate impact on the city, the new **Karak Historic Core regulation** will operate in the background, gradually affecting all the aspects of the project area, ensuring: (a) the preservation of cultural heritage; (b) the continuous improvement of the urban environment; and (c) a baseline continuation over time of the city revitalization process.

The new regulations are designed to govern the land use and the building activities to ensure that these respect and are compatible with the character of the city and to provide for the protection of cultural heritage.

Since the UNESCO Chart of Venice for Cultural Heritage Protection, the concept of cultural heritage has been increasingly widened. Today, the concept of heritage is no longer confined to “monuments” but also includes approaches, extensive sites and whole urban complexes for which the criteria are no longer just architectural merit but unity, universality and urban and spatial coherence deriving from the combination of a series of elements which may be of fairly little artistic value in themselves.

It has been recognized that the preservation of historical continuity in the environment is essential for the maintenance or creation of living conditions that enable humankind to discover its identity, to find its bearings both in the historical context and in its geographical setting in the broadest sense (physical, ethnical, etc.) and to acquire a sense of security amid social upheaval through having fully understood the changes occurring and thus being better equipped to control their effects.

One of the most disturbing factors in Karak urban environment is the visual clutter, particu-

larly in the busiest commercial areas. Visual clutter could be the result of physical decay of buildings and public spaces, presence of solid waste, uncontrolled signage and wires, traffic jams and uncontrolled parking. The new regulation will contribute in keeping under control all these aspects, thus contributing to enhance the quality and livability of the urban environment within the perimeter.

Moreover, the continuous improvement of the urban environment will be further ensured by the specific norms concerning building rehabilitation works. The new regulation will keep under control the building rehabilitation and alteration activities of the private owners of buildings and will direct them in the direction of coherence with the overall city revitalization program.

Provided its institutional duties, Greater Karak Municipality has a central role to play in the city revitalization program. For this reason, a **capacity building** action is envisaged. This action includes the resources needed for the successful implementation of the city revitalization program, including the new Karak Historic Core Regulation.

As a result, it is expected that the improved municipal capacity will facilitate the launch and sustained continuation of the city revitalization process. Moreover, the new skills and management know-how gained by the Municipality within the context of the city revitalization program, targeted to the historic core, could be further expanded to cover the management of the whole city.

4.2. SUMMARY OF ACTION PROJECTS

Specifically, the proposed project for Karak will be implemented through a sustainable City Revitalization Program (CRP) composed by three components:

- 1) **Regulatory actions**. The component will implement a special regulation to control urban growth and changes to the building stock, introducing criteria of conservation, integral recovery and comprehensive urban improvement.
- 2) **Physical actions**. This component includes a number of urban rehabilitation project actions that would comprehensively upgrade the historic core of Karak, to develop to develop high quality open public multipurpose space and community and commercial facilities. The component will finance: (a) Upgrading of the street network and of the public space; (b) the creation of a new "heritage trail" along the eastern side of Karak; and (c) the redevelopment of the bus station.
- 3) **Capacity building**. This component will strengthen the capacity of Greater Karak Municipality to ensure successful implementation of the CRP. The component will support hiring supplementary staff for GKM, providing appropriate training on urban and heritage management, providing technical tools and equipment, and technical assistance.

The estimated implementation period of the proposed CRP is 5 years. The total project cost is estimated at around US\$ 8.7 million.

4.2.1. REGULATORY ACTIONS

KARAK HISTORIC CORE REGULATION

This action will implement a new historic core regulation, introducing a prescriptive framework designed to keep under control all the aspects related to the urban environment and its modifications. The regulation provides also for the protection of monuments, traditional buildings, green areas and open spaces (especially those that fit within a clearly identified archaeological/historical context), giving clear indications about the forms of intervention applicable to each context, the restrictions introduced and the level of protection to be achieved in the different situations.

It should be noted that, with this new regulation, urban planning by means of zoning has been abandoned to introduce an approach that more specifically focuses on the peculiar character of each and every portion of the city. The regulations distinguish between categories of buildings and categories of interventions accordingly.

Moreover, the regulation gives relevance to rehabilitation activities aiming at improving the living conditions of the inhabitants inside their houses, while ensuring compatibility with the required level of respect for the general aesthetic of the historic city centre.

The objective of the new Jerash historic core regulation is to ensure protection while fostering livability for the residents and visitors. Moreover, it tackles a number of city specific issues, including:

- establishing norms for the protection of the two most significant urban edges: the limit to the south-east and west of the Old City, immediately adjacent to the Castle and an extensive area along the northern western edge defined by Al Malik Talal Street;
- establishing norms to moderate and restrict unsustainable types of development around the Castle and its slopes.

The main responsibility for the enforcement of the new Karak Historic Core regulation will be with GKM. For this reason, the capacity building actions provides for all the resources in terms of personnel, training and equipment, that will be necessary for the successful implementation of the regulation.

The complete text of the Historic Core Regulation is enclosed under attachment A.

PARKING AND TRAFFIC MANAGEMENT

Traffic and parking are most significant issues that heavily affect the historic core. To ensure a significant improvement of the existing situation, the physical upgrading of the city core street network will be complemented by appropriate management measures.

A pilot **parking meters action** will complement the upgrading of Al Malik Al Husayn Street, with the realization of 51 parking stalls that will be controlled by parking meters. Karak Municipality will manage the facilities and ensure the enforcement of payment. It is assumed that this action will contribute to lighten the pressure of uncontrolled parking in the main commercial spine of the historic core; shopkeepers will benefit from the accelerated turnover of clients and the municipality will benefit from a new revenue that could be used to improve the maintenance of the public space.

In the medium term, a more comprehensive **traffic management program** is to be developed and enforced, to organize, administer, govern and rule the vehicular traffic within the historic core. The objectives of the traffic management plan will be:

- 1) to make the safest and most productive use of existing road-based transport system resources;
- 2) to adjust, adapt, manage and improve the existing transport system to meet specific objectives, including (but not limited to) the protection of the most sensible components of the urban environment;
- 3) to maximize the effectiveness of existing infrastructures, in order to avoid or minimize capital expenditures;
- 4) to improve traffic safety and protect the most vulnerable traffic components, such as pedestrians, bicycles and other non-motorized vehicles;
- 5) to reduce the impact of road traffic on the environment (i.e. to reduce pollution, noise, etc.).

The contents of the Traffic Management Program will include:

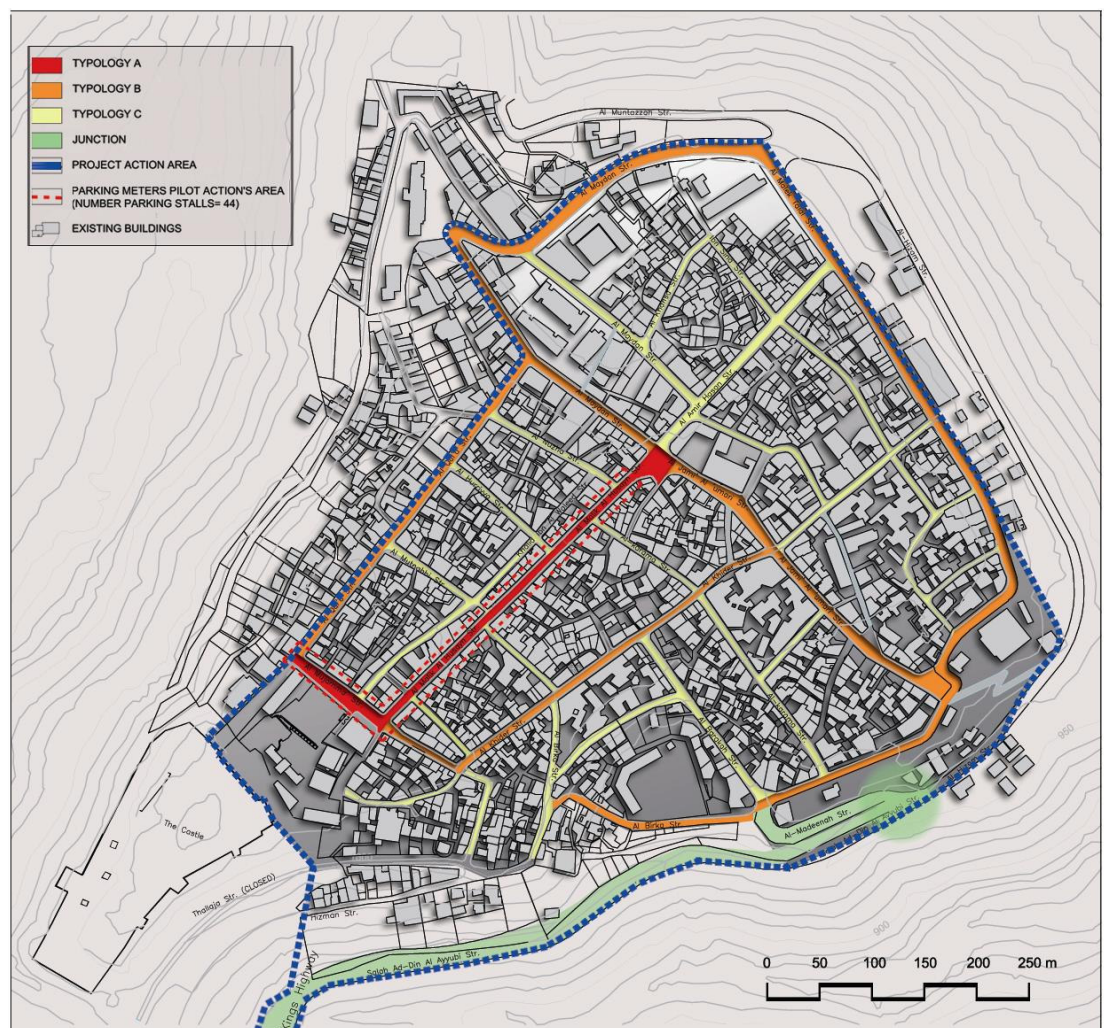
- 1) traffic regulation (junction canalizations; signing and lining; traffic signals; area traffic control; pedestrian facilities and street space management; facilities for bicycles and

other non-motorized vehicles; bus priority);

- 2) demand management (parking management; control and pricing; traffic calming; pedestrian only zones);
- 3) road use and classification (functional classification of road networks; road use regulation);
- 4) road safety (institutional arrangements and practices; accident data collection and analysis and remedial engineering; enforcement and education; road user education, enforcement, including equipment and training).

4.2.2. PHYSICAL ACTIONS

[K.01] UPGRADING OF THE STREET NETWORK AND OF THE PUBLIC SPACE



This action will reinforce the grid of streets in the project perimeter, with a hierarchy of intervention levels. The first level will ensure the highest impact both from a functional and a visual point of view, while the third will ensure a basic upgrading of the functionality of the streets. Vehicular accessibility shall be maintained for the entire area but the necessary rationalization of vehicular flows will be accomplished through the careful reshaping of the

street sections and lay-outs, providing wherever possible wider sidewalks, street side parking pockets and stalls for loading and unloading of commercial goods. It is expected that this action will contribute in addressing the physical decay of the urban environment and the crisis of the public space.

The specific objectives of this action are:

- 1) to improve the environmental quality of the public space in the historic core;
- 2) to improve the municipal infrastructure framework;
- 3) to rationalize the allocation of spaces dedicated to parking and to vehicular and pedestrian traffic;
- 4) to encourage private owners of building to rehabilitate their assets within the framework of the new historic core regulation.

Moreover, the action is focused on the solution of some site-specific issues that include:

- 1) the rationalization and beautification of the street sections of Al Malik Al Husayn Street and Al Mujamma' Street.
- 2) the landscape enhancement of the street section of Salah Ad-Din Al Ayyubi Street;
- 3) the rationalization and beautification of the Salah Ad-Din Al Ayyubi/ Al-Madeenah street junction.

The needs for below-grade infrastructural integration have been determined on the basis of a detailed municipal infrastructure assessment, and are integrated in the project action so to ensure the maximum effectiveness of the intervention.

This action will provide approximately 5,000 sqm of rehabilitated public space for Al Malik Al Husayn Street, 38,000 sqm for the rest of the network and approximately 17,000 sqm of soft landscaped rehabilitated public space.



[K.02] THE NEW “HERITAGE TRAIL” ALONG THE EASTERN SIDE OF KARAK

The action will create a new urban axis based on a pedestrian path along the southeastern portion of the city wall, linking the Ottoman School to the renovated main Bus Station, passing by the Mameluke towers up to the Castle. The new Heritage Trail will provide an alternative pedestrian approach to the Castle characterized by an outstanding panoramic view onto the surrounding landscape and enhance the role of the renovated main Bus Station as an important enclave for urban social gathering whilst acting as the new gateway to the historic core.

The specific objectives of this action are:

- 1) to improve the environmental quality of the public space in the historic core;
- 2) to supply the residents with new outdoors leisure spaces;
- 3) to contribute in improving the experience of the city for visitors and tourists, by providing an alternate and more interesting approach to the Castle.



It is assumed that new services will develop around this new axis, including cafes, restaurants and other forms of entertainment addressed to the youth and local population as well as to tourists.

Below-grade infrastructural refurbishment will be provided in connection to the proposed road works including the provision of an efficient storm water drainage system.

This action will provide approximately 2,200 m of new pedestrian paths.

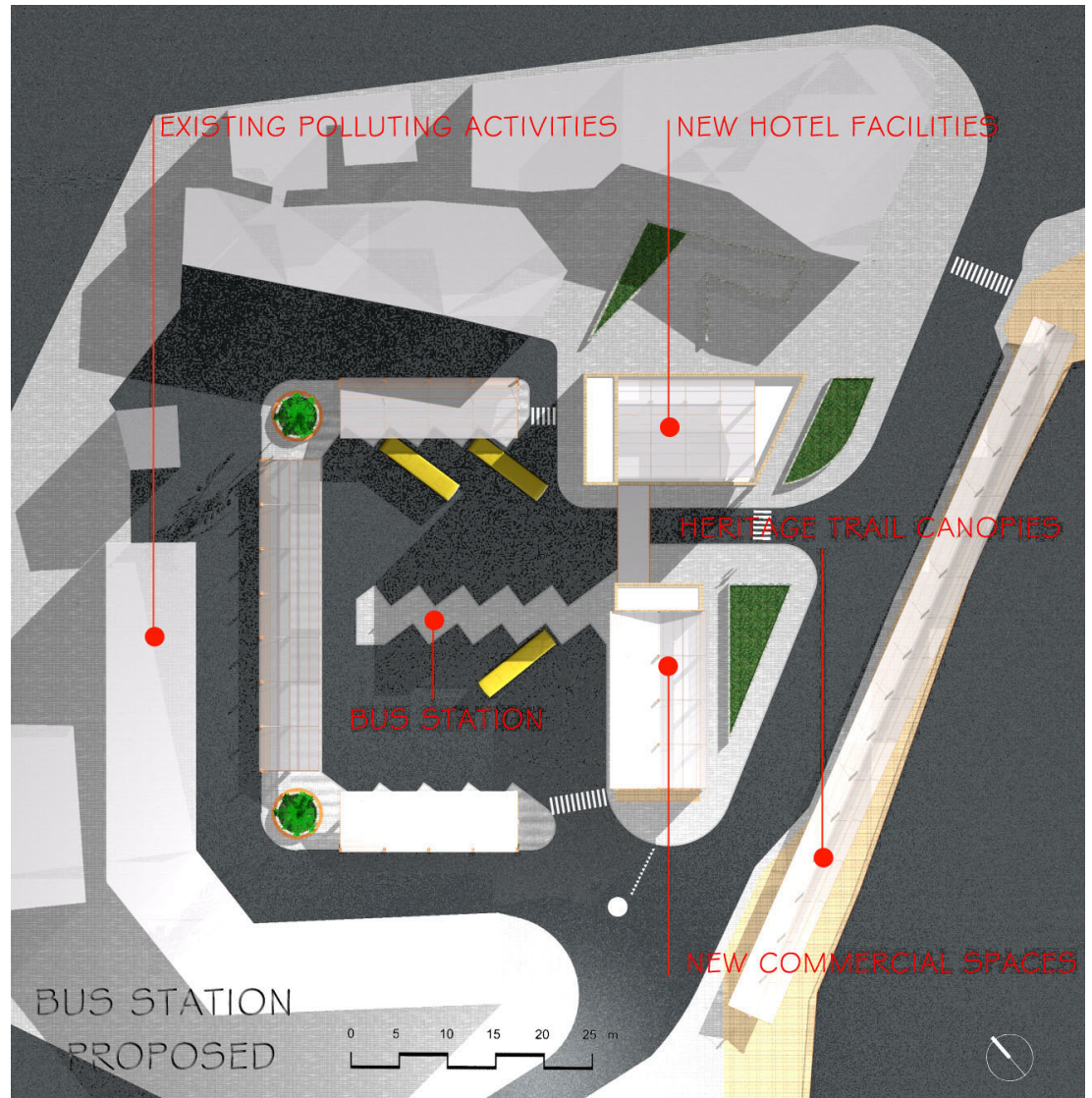
[K.03] REDEVELOPMENT OF THE BUS STATION

The bus station is located in the southeast quadrant of the historic core, and accommodates most of the local and all the inter-city services to Karak. The increased movements of public transport into and through the historic core highly contribute to the extensive, citywide congestion, and calls for enhanced facilities for the main bus station. Congestion in this area is not limited to the bus station itself, but extends along the approach roads.

This action will redevelop the bus terminal area to create the necessary public space and a pole of activities. The action will include the development of a medium-size quality hotel, to improve the tourism facilities supply, and will complement the cultural attraction of the rehabilitated public space of the plaza in front of the Castle.

The specific objectives of this action are:

- 1) to improve the accessibility to the historic core and its connection with the outside, thus contributing to the improvement of the traffic situation;
- 2) to improve the environmental quality of the public space;
- 3) to give economic benefits to the city while establishing in this highly frequented place improved commercial activities and services.
- 4) to increase the supply of tourist facilities while increasing the number of beds available in Karak.



The project will include the rationalization of entrance and exit paths for pedestrians, private vehicles and buses, the provision of shaded stalls for buses equipped with seating facilities for passengers, decorative planting of autochthonous greeneries and trees and the provision of a perceptive screen for the existing mechanical and polluting activities which are located within the compound.

Moreover, the proximity of the Old Eastern Gate provides an opportunity to incorporate a valuable archaeological and historic feature into the new design, whilst providing a convenient direct pedestrian access to the station from the foot of the steep hill on which the Old City is located.

The implementation of this project will take the form of a public-private partnership, in which the public partner will provide the integral redevelopment of the bus station, while the private partner will ensure the development and management of the new hotel.

This action will provide approximately 5,000 sqm of rehabilitated public space and 80 new beds of hotel accommodation.

4.2.3. CAPACITY BUILDING

The objective of the capacity building action is to strengthen the capacity of GKM in order to

(a) play its role within the context of the City Revitalization Program, and to manage and preserve in a sustainable way the historical centre; (b) improve its performance in service delivery; and (c) play an increased role in the reinforcement of social cohesion, urban integration, and social and economic development of the city.

The support that will be provided to the Municipality will include:

- 1) recruitment of personnel for the creation of a “technical support unit” and the reinforcement of capacities of the municipality in urban planning and management in the historic core;
- 2) training on: (a) Historic core regulations and conservation and restoration of historic buildings; (b) the use of GIS and other tools for urban planning and management ; (c) appropriate maintenance and management of urban services and spaces;
- 3) “Adressage” for the improvement of urban planning and management of the historic core;
- 4) technical assistance for: (a) enforcement of the new Historic Core Regulation; (b) the improvement of the urban management of the historic core, including the preparation of the traffic management program; (c) conception of the “Addressage”; and (d) setting up of indicators and procedures for the monitoring and evaluation of the urban service delivery.
- 5) delivery of IT equipment (hardware and software) for the department of Urban Planning and Technical Support Unit.

The action is limited to build the capacity strictly related to the implementation of the city revitalization program. The expected results include:

- 1) development of the technical and institutional capacity of the municipality to implement, monitor and ensure the sustainability of the core city revitalization plan, including the capacity building actions.
- 2) development of the technical and institutional capacity of the municipality to enforce the new Historic Core Regulation, and to promote, assist, and monitor the conservation and the rehabilitation of the urban and architectural heritage.
- 3) reinforcement of the institutional and organizational capacities of the municipality in urban planning and management, particularly in the historic core;
- 4) improving the capacity of the municipality to provide urban services of better quality, in particular in the field of maintenance and management of the urban space of the historical core;
- 5) improvement and reinforcement of the forms of participation of the local population and stakeholders.

The capacity building action is to be put in place, as much as possible, jointly by the four municipalities concerned by the TTDP, to ensure economy of scale and to establish a process of collaboration and transfer of competences between them.

4.2.4. ACQUISITIONS

The acquisition of some lands/buildings, as described in the following table, is an essential pre-condition for the execution of the CRP. The Municipality will be responsible for the acquisitions within the deadline established by the implementation plan.

PROJECT ACTION	ACQUISITION OF	ESTIMATED COST
The upgrading of Salah Ad-din al Ayyubi Street	Land	500,000 JD
The new “heritage walk” along the eastern side of Karak	Buildings to be demolished	270,000 JD

TABLE 2 – SUMMARY OF ACQUISITIONS

4.3. OUTPUT INDICATORS

The following table summarizes the output indicators related to the implementation of the city revitalization program during its life cycle.

PROJECT COMPONENT/SUBCOMPONENT	OUTPUT INDICATORS
A. REGULATORY ACTIONS	
Karak historic core regulation	Approved Karak Historic Core Regulation
Pilot parking meters plan	Number of parking stalls included in the pilot
B. PHYSICAL ACTIONS	
[K.01] Upgrading of the city core street network.	Square meters of rehabilitated street network/public space
[K.01.a] Al Malik Al Hussaym street upgrading	Square meters of rehabilitated public space
[K.01.b] Salah Ad-Din Al Ayyubi Street Upgrading	Linear meters of pedestrian paths Square meters of soft landscaped and rehabilitated public space
[K.02] The new "heritage trail" along the eastern side of Karak	Linear meters of pedestrian paths
[K.03] The re-design of the existing bus station	Square meters of rehabilitated public space New beds of hotel accommodation
C. CAPACITY BUILDING	
Recruitment of personnel	Recruitment of 8 persons
Training	Delivery of training program to GKM
"Adressage"	Historic core streets and buildings completely identified with postal addresses.
Technical Assistance	TA delivered to the four municipalities jointly.
Equipment	Technical equipment installed and operational

TABLE 3 – OUTPUT INDICATORS

5. Estimated costs and financing plan

The total investment will amount to 8.7 million US\$, with the main investments being concentrated in action "K.01 Upgrading of the city core street network." (31.16%) and in action "K.03 Redevelopment of the bus station" (21.68%).

PROJECT ACTIONS	JD	US\$	%
K.01 Upgrading of the city core street network.	1,913,394	2,700,621	31.16
K.01a Rehabilitation of al Malk al Hussaym Street	151,246	213,473	2.46
K.01b Rehabilitation of Salah Ad-din al Ayyubi Atreet	1,112,435	1,570,124	18.11
K.02 The new "heritage walk" along the eastern side of Karak	1,308,560	1,846,941	21.31
K.03 Redevelopment of the bus station	1,331,216	1,878,918	21.68
Capacity building		457,650	5.28
1 JD = US\$1,41			
Total cost of Karak CRP		8,667,727	100.00

The main investments are concentrated in the second and third year of implementation (2.7 million US\$ and almost 4 million US\$ will be invested in those two years respectively).

	IMPLEMENTATION PERIOD									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Financing Required										
Total project costs	687,822	2,744,803	3,996,975	1,103,248	134,880	0	0	0	0	0
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	687,822	2,744,803	3,996,975	1,103,248	134,880	0	0	0	0	0
Financing										
Central Gov	630,322	2,738,083	3,435,900	261,636	54,000	0	0	0	0	0
Municipalities	57,500	6,720	13,440	20,160	80,880	0	0	0	0	0
Privates	0	0	547,634	821,452	0	0	0	0	0	0
Total Project Financing	687,822	2,744,803	3,996,975	1,103,248	134,880	0	0	0	0	0

	OPERATIONAL PERIOD									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Financing Required										
Total project costs	0	0	3600	16200	47880	106680	128880	245880	137880	137880
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	0	0	3,600	16,200	47,880	106,680	128,880	245,880	137,880	137,880
Financing										
Central Gov	0	0	3,600	16,200	19,080	41,400	54,000	117,000	63,000	63,000
Municipalities	0	0	0	0	0	26,880	26,880	80,880	26,880	26,880
Privates	0	0	0	0	28,800	38,400	48,000	48,000	48,000	48,000
Total Project Financing	0	0	3,600	16,200	47,880	106,680	128,880	245,880	137,880	137,880

6. Summary of analyses

6.1. SOCIAL ASSESSMENT

The movement of accelerated urbanization that Jordan knew since the beginning of the 1970, combined with the demographic growth and the migratory waves of the populations, deeply transformed the socio-spatial structures of the country. In all of the Jordanian localities, the spatial and urban morphology, the way of life and consumption, the socio-economic structures, the social and collective forms of organization have been strongly affected and transformed. In this context, it is not exaggerated to say that all the Jordanian towns are, to some extent, new cities, which are formed by the assembly of various, more or less uprooted, groups, or "parts" brought back and juxtaposed. Urban development, demographic growth, massive arrival of populations of Palestinian and/or rural origin, as well as the socio-economic evolutions and socio-policies of the Jordanian society: all these phenomena have transformed the socio-spatial structures of these cities and have put under question the various components of their socio-urban traditions, to a point that makes it possible to speak today about "cities in mutation and transition" and "local communities in the course of re-composition and reorganization".

In this context, Karak has to face a number of key issues affecting its social and economic development. These key issues include the substitution of population and residential pauperization, the change of commercial functions, the conflict with proximity functions, the lack of socialization spaces and the decay and crisis of public spaces. In fact, after the demographic transformation and the institutional reorganization, Karak has become a mosaic of disparate, juxtaposed territories. It is a major challenge to establish a new connecting bond amongst these otherwise disconnected realities.

Nowadays, due to its social and physical decay, the historic core is a centrifugal space. The challenge is to restore the core as a centripetal place of attraction, connection, link and communication amongst the different territories of the city. In other words, the right of access to the city is to be returned to the inhabitant, namely to the young people and to disadvantaged groups. This will happen, if the program succeeds in reinforcing the urban integration in a federating space, a space of urban and economic centrality.

The project development objective is to improve urban integration, social cohesion and local economy in Karak by creating conditions for a process of sustainable revitalization of the historic core and tourism development.

In other words, the main challenge that the historic core of Karak is facing, is to recover its urban centrality and be revived with a new "social and economic mission" within its regional context. The historic core, restored as public space of social encounter and communication, will create the conditions for a mutual knowledge and acknowledgement amongst the different communities and amongst the different ages and genders. Furthermore, this will answer at the specific needs of the youth that, in the current situation, is locked into the bipolarity between the space of the family and the space of the education., while creating a third space for the communication and the leisure. The improved quality and livability of the historic core will benefit all city residents, occasional visitors and tourists, to recover centrality, reconstruct social cohesion and revert the decay of the socio-urban fabric.

From a social point of view, the revived historic core will contribute to reconstruct social cohesion amongst the different social groups providing a common federating space for the entire population, where the cultural heritage is preserved and enhanced in both its symbolic and economic role, and urban space is improved for the benefit of residents and visitors.

From an urban point of view, the focus is on the improvement of the socio-urban fabric, the recovery of commercial and urban centrality and the improvement of the urban environment as a high quality civil space.

6.2. ENVIRONMENTAL ASSESSMENT

The objectives of the EA study are to assess the environmental issues of the target area and to validate the CRP as a whole from an environmental point of view, by examining the project's potential negative and positive environmental impacts.

A number of site visits by the different members of the technical team were organized during the course of the study. The visits were carried out during the months of October and December 2004. Site visits covered most of the districts of Karak historic core, proposed location for the projects, neighborhood residential areas and other infrastructure facilities within the project areas.

The technical team undertook intensive consultations with the officials, technicians and public at the Municipality of Karak City, Ministry of Environment, Ministry of Tourism and the local communities. Consultations were carried out through official meetings, site visits, scoping sessions and public consultations.

Karak lies at the geographic heart of Karak Governorate, about 116 km south of Amman. The boundaries of the Governorate are defined by the Dead Sea to the west, Wadi El Mujib to the north, Wadi El Hasa to the south, and the boundary of Ma'an Governorate to the east. Old Karak is located at an altitude of 1000 meters on the western edge of the Karak Plateau. It holds a strategic position astride the ancient Kings Highway, at the head of Wadi-Al Karak.

The Karak region experiences a heavily degraded Mediterranean **climate** characterized by cool, wet winters and hot, dry summers, with generally very short springs and autumns. Rainfall and temperature in the Governorate are highly influenced by altitude. Rainfall is currently showing a decline over time. Winter temperatures can be low, especially in the mountainous areas where annual minimum temperatures can be below – 4 C.

The geology of the Karak region comprises Pre Cambrian basement complex rocks overlain by sedimentary rocks of Ordovician to lower Cretaceous age. These have been extensively deformed by tectonic activity associated largely with the adjacent Dead Sea Fault. The area is still **seismically active**, and evidence from historic records suggests that a major earthquake capable of causing significant damage will occur along or close to the Jordan Rift Valley every 150 years.

Karak lies in an area of great **landscape** variety and beauty. The character of the landscape reflects the underlying landform and climate, and the vegetation and cultural and historic environment that has evolved from this. A number of distinct landscape character areas can be discerned in a relatively small geographical area around Karak.

Air quality and **noise** are not considered to be a problem in Karak, either as a danger to health or as a more general public nuisance.

The current conditions of the **traffic** inside the city is really alarming. Moreover, the city faces a **high parking demand**, and a lack of parking spaces. Due to its current role as a center for governmental buildings, a tourist destination, and an attraction point for residents of the surrounding villages, who come to Karak for recreation and shopping, the available parking spaces are failing to accommodate the current demand.

The quality of the natural and general environment will support and encourage the continued attraction of the region. The protection of its environmental quality is a major policy consideration, which could affect its future potential both as a place to live and work and as a tourist attraction.

After presenting the current conditions of the project area; the technical, financial and social aspects of the proposed actions; and the anticipated environmental impacts on the physical, ecological and socio-economical aspects of the environment, it can be concluded that the proposed projects will have a net positive socio-economic impacts on the residents and environment of Karak City. The positive impacts in the short, medium and long term exceeded the anticipated negative impacts during the construction and operation phases.

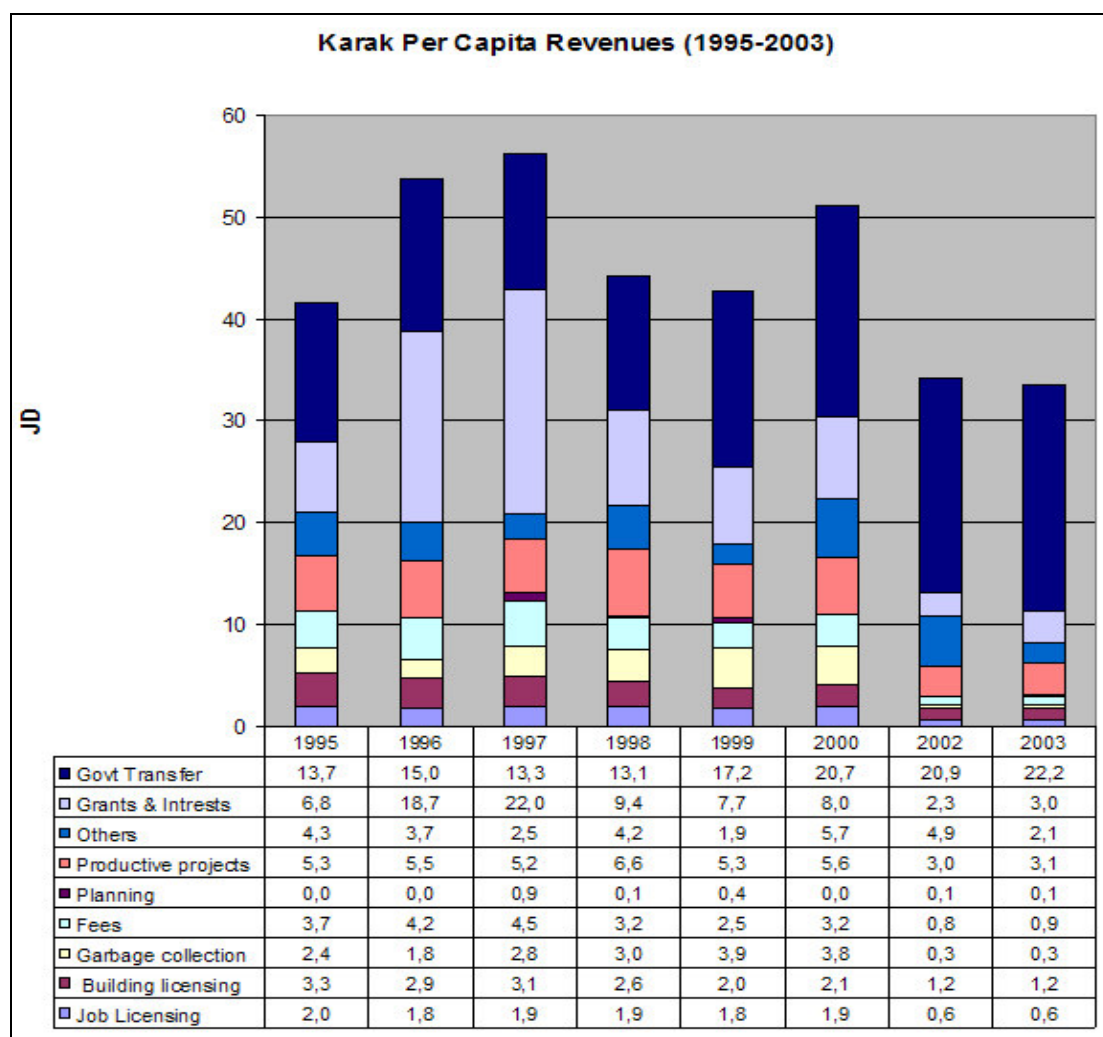
6.3. INSTITUTIONAL ASSESSMENT

The decline of the historical centre, the degradation of its urban and residential fabric and the crisis of its functions of centrality are strongly related to the general weakness of the municipal institution.

Conversely, the success and the sustainability of the program of revitalization and development of the historical centre are strongly conditioned by the commitment and the capacity of the municipality, and by the improvement of its capacity to mobilize the local resources and to play its role effectively, in particular in the fields of urban planning and management, in the provision of urban services of better quality and in the social and economic development of the city.

Karak has always distinguished itself for a high level of revenue in comparison to the other secondary cities. (55 JD per capita in 96-97 while Madaba, for instance, had only 18 JD).

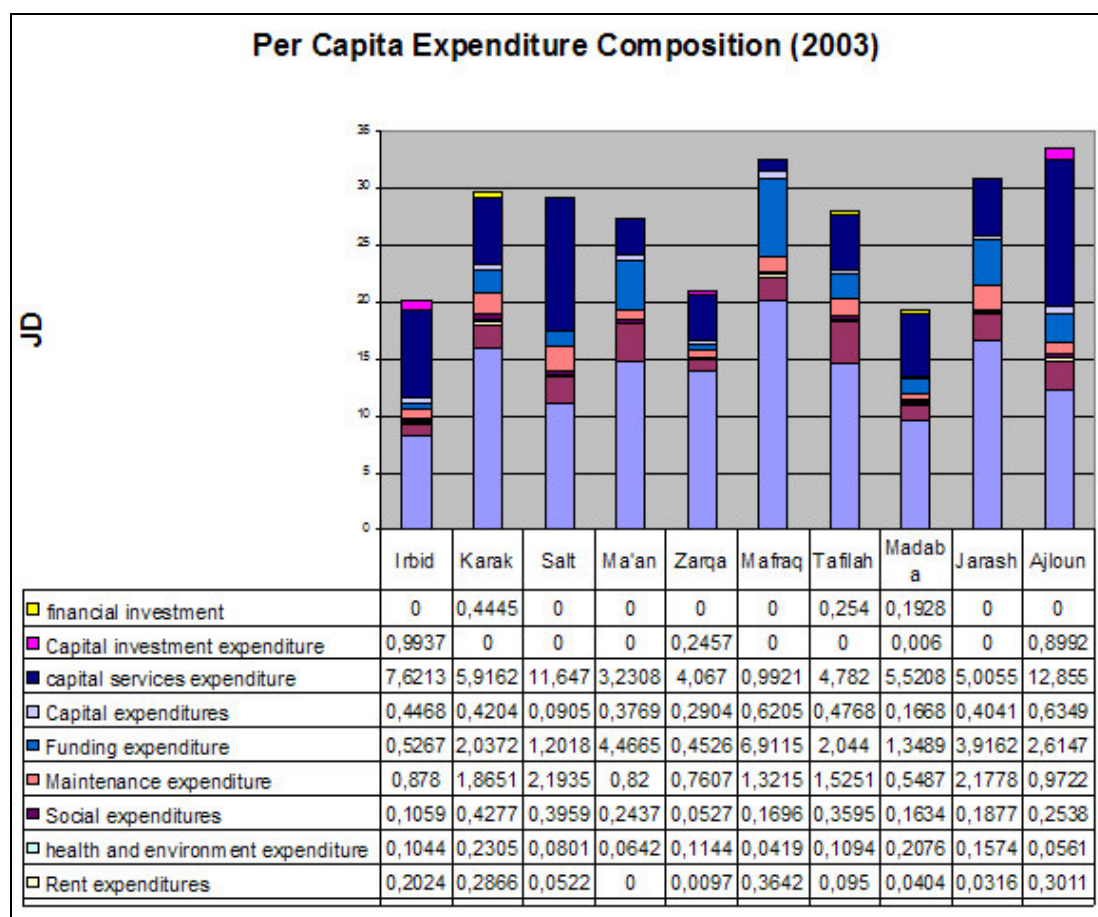
However, municipal revenues of Karak dropped substantially in 2003-03, following the merger. Per capita revenues passed from approximately 50 JD per capita in 2000 to 32 JD per capita in 2002, still keeping a better position in comparison with other municipalities, mainly thanks to favorable governmental transfers.



When it comes to expenditures, Karak is characterized by a very high level of labor costs (approximately 16 JD per capita, 54% of the total amount of expenditures). This is closely

linked to a significant overstaffing that has nothing to do with the actual level of services delivered by the municipality. The second item in the Karak budget is the « capital service expenditure », and namely the street opening and maintenance.

On the contrary, the expenditure for maintenance of public space and municipal infrastructure scarcely reach 0.20 JD per capita in 2002 and 2003, of which 0,20 JD are devoted to street maintenance. Also the item concerning health and environment is negligible, between 0.20 - 0.25 JD per capita.



The institutional assessment has shown that the following key issues affect the capacity of the Karak Municipality, and may hinder its successful participation in the CRP:

- 1) **Urban planning and management:** the municipality has very low capacity to provide for structural and strategic planning and management, to determine in a suitable way the location of the various commercial and urban activities and to put in place and to enforce urban regulations for construction and use of public spaces. This situation has resulted in an anarchistic and uncontrolled urban development and in the degradation of the environment and urban fabric of the historical core in particular.
- 2) **Management of public spaces and urban services.** The level and the quality of urban services and the maintenance of public spaces are weak (maintenance of storm drainage and sewerage, street lighting; management of garbage collection and cleanliness of public spaces and places such as the road station and markets; maintenance of the street network; traffic and parking management, control over signage and shop windows etc.)
- 3) **Promotion and enforcement of sanitary and public health rules.** At present, the municipality monitors and enforces the compliance with the sanitary regulations, in particular those related to the marketing of foodstuffs. However, the municipality does not have

sufficiently qualified and trained personnel to assume this responsibility. Even though, this is an imperative to protect the health of the local population, it is still of primordial importance from the point of view of the development of the tourist potentials of the city.

- 4) **Absence of coordination between the municipality and the public utility companies.** This problem is evident on multiple levels and undermines the effectiveness of the majority of municipal services. It is in particular the case of the companies of Water and Electricity, which, often, carry out works without any form of coordination with the concerned municipal departments.
- 5) **Great weakness of human resources and qualification.** In spite of a significant over-staffing and of the fact that an important part of the expenditure is devoted to the staff expenses, the municipality is heavily handicapped by the very low qualification and training level of its personnel and their weak engagement in the duties requested of them.
- 6) **Organizational weakness.** To face the organizational weakness and the lack of coordination between the various services, the municipality started to set up plans for reorganization based on a general outline conceived by the Ministry of Municipal Affairs. However, the municipality considers that these plans remain insufficiently adapted to its needs and problems, and that it needs technical assistance based on specific analysis in order to be able to restructure and improve its services and functions.
- 7) **Weakness of financial management and of revenues generated by the municipality.** The financial situation of the municipality has improved during the last three years thanks to the increase in the revenues transferred by the State, to a better collection of revenues and local taxes, and to a better management of its expenditure. However, in spite of this effort, the financial situation remains marked by many weaknesses, particularly: weakness of financial resources in comparison to the expenditure; very limited revenue autonomy; lack of efficiency in revenues collection; weakness of the revenues generated by the income-generating projects; irregularities and variation in the revenues from year to year; low capital investment. Moreover, it should be noted that salaries and wages eat up a big part of the budget, and that the interest expenditures are high.

6.4. ECONOMIC ANALYSIS

The economic analysis of CRP proposal for Karak has been developed according to the data presented in Annex 1 "Detailed description of the CRP" regarding foreseen investment and operating costs within the first 10 years of program implementation.

The total investment costs amount to 8,667,727 US\$ and the operating costs for the first 10 years to 771,454 US\$.

A) WORKS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Road construction	15,697	227,595	776,942			1,020,234
Soft landscaping		47,989	431,898			479,886
Utilities upgrading		124,291	1,118,615			1,242,905
Traffic management plan		3,529	31,757			35,286
Pedestrian paths	9,315	83,839				93,154
Hard landscape and canopies	11,291	101,623				112,914
Site specific action: ancient wall restoration	52,929	476,358				529,286
Bus parking areas		11,517	46,069	57,586		115,173
Green areas		565	2,258	2,823		5,646
Special canopy structures		14,114	56,457	70,572		141,143
Rehabilitation of the eastern gateway tunnel		11,291	45,166	56,457		112,914
New building construction			282,286	423,429		705,715

Internal furnishing			169,372	254,057		423,429
TOTAL COST OF WORKS	89,232	1,102,710	2,960,819	864,924		5,017,686
B) ADDITIONAL PROVISIONS						
b1) TECHNICAL EXPENSES						
Detailed design consultancy (8% of A)	7,139	88,217	223,316	48,869		367,541
Construction supervision and management (8% of A)	7,139	88,217	214,847	36,166		346,369
Construction site security (3% of new building construction)			8,469	12,703		21,171
Topographical & archaeological surveys/specialistic investigations (5% of A)	4,462	55,136	133,927	22,075		215,599
b2) CONTINGENCIES (15% of A)	13,385	165,407	418,717	91,630		689,139
TOTAL COST OF ADDITIONAL PROVISION	32,124	396,976	999,275	211,444		1,639,818
C) LAND ACQUISITION	381,086	705,715				1,086,801
D) DEMOLITION OF INTRUSIVE BUILDINGS		42,343				42,343
E) TRADITIONAL BUILDINGS REHABILITATION		423,429				423,429
F) CAPACITY BUILDING						
Recruitment of personnel	26,880	26,880	26,880	26,880	26,880	134,400
Training	13,500	6,750				20,250
Municipal Information System	10,000	20,000	10,000			40,000
Technical Assistance	20,000	20,000				40,000
In-kind Assistance	115,000				108,000	223,000
TOTAL COST OF THE CAPACITY BUILDING	185,380	73,630	36,880	26,880	134,880	457,650
FINAL ACTION PROJECT COST (A+B+C+D+E+F)	687,822	2,744,803	3,996,975	1,103,248	134,880	8,667,727

TABLE 4 - KARAK CRP - INVESTMENT COSTS (IN US\$)

OPERATING COSTS										
Action	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
K.01				8,968	17,937	26,905	35,874	44,842	44,842	44,842
K.02			3,694	7,388	1,108	14,776	18,469	18,469	18,469	18,469
K.03					34,000	46,000	58,000	58,000	58,000	58,000
Capacity building						26,880	26,880	26,880	26,880	26,880
Total			3,694	16,356	53,045	114,561	139,223	148,192	148,192	148,192

TABLE 5 - KARAK CRP - OPERATING COSTS (IN US\$)

In general, during the realization phase, the single most directly affected economic sector will be, obviously, that of construction, this will, in turn, strongly impact on small enterprises and craftsmen sectors.

During the management phase the most affected sectors will be the following:

- commercial (shops in the historic cores);

- handicraft (both as construction and commerce-related);
- informal sector;
- public/municipal sector;
- tourism-related activities (restaurants, hotel, other accommodations, tourist guides, tourist transport);
- services related to all the above.

The economic benefits generated by the implementation of the Karak CRP can be quantified mainly in terms of:

- increase in residents and tourists' expenditures for shopping, due to the street and landscape beautification within the city core, together with the upgrading of urban spaces and, above all, the provision of new cultural assets and leisure facilities;
- increase in the number of visitors due to the greater tourist attractiveness of Karak.

As for the last aspect, the indirect benefits of Karak CRP can be quantified measuring the value added generated by the increase in tourists' expenditure.

The additional expenditure has been considered as equal to the current tourists' average daily expenditure multiplied by the additional number of tourists. Such estimation is based on the assumption that the CRP implementation will attract a 10% more visitors to Karak Castle, with respect to the peak visitor flows recorded in the year 2000.

To convert expenditures in value added, gross output and gross value added of the main sectors (industry, service and trade) have been considered.

According to the above, the total amount of economic benefits generated by the implementation of Karak CRP will amount to more than 1.590 millions of JD in situation of normal operation.

As for economic effectiveness, the results of the cost-benefit analysis show an almost sufficient profitability for Karak CRP: a positive ENPV is found, evaluated at a discount rate of 12%, of 3,888 thousand US\$ and a EIRR of 20.3%.

ECONOMIC ANALYSIS FOR THE COMMUNITY – SALT CRP

	YEARS																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Investment costs	638	2,547	3,709	1,024	125	0	0	0	0	0	0	0	0		0	0	0	0	0	0
Running costs	0	0	4	16	53	115	139	148	148	148	148	148	148	148	148	148	148	148	148	148
Indirect economic benefits	0	0	495	899	1,302	1,706	2,155	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246
Residual value																				4,022
Net benefits	(638)	(2,547)	(3,218)	(142)	1,124	1,591	2,016	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	6,120
Accrued net benefits	(638)	(3,185)	(6,404)	(6,545)	(5,421)	(3,830)	(1,814)	284	2,383	4,481	6,579	8,677	10,775	12,873	14,971	17,069	19,167	21,265	23,363	29,483

ECONOMIC IRR	20.3%
ECONOMIC PNV (,000 US\$)	3,888
BACK DISCOUNTING RATE	12,00%

	HP1	HP2	HP3
BENEFITS CHANGE	0	-15%	-10%
INVESTMENT COSTS CHANGE	10%	0	10%
RUNNING COSTS CHANGE	10%	0	10%
EIRR	20.2%	16.7%	13.0%
VAN	3,609	1,967	459

6.5. FINANCIAL ANALYSIS

The total investment will amount to 8.7 million US\$, with the main investments being concentrated in the second and third year of implementation (2.7 million US\$ and almost 4 million US\$ will be invested in those two years respectively). As for the single actions, action K.01 – Upgrading of the street network is the most expensive; indeed it amounts to almost 4.5 million US\$.

The foreseen PPP action will consist in the realization of a hotel and shopping facility that will be located within the re-designed bus station and will be managed by private investors. The total investment costs for the realization amount to 1,369,087 US\$, representing the 16% of the total Karak CRP investment costs.

The results obtained from the financial analysis display a sound profitability for the above-mentioned action: a FNPV is found, evaluated at a back discounting rate of 10%, of 469 thousand US\$ and a consequent FIRR of 14.7%. Thus, the project seems to offer **a high rate of profitability** even taking into account all investment costs, including the ones for the street network upgrading (4.5 million US\$).

The implementation of the Karak CRP will have effect on the public administrations' budget in terms of both incomes and expenditures. The professional capacity and soundness related to the realization and management of the projects envisaged in the Program will be analyzed in Annex 5 "Municipal organization, management and finance".

As for incomes, the Program will have a positive impact on public administrations' budget thanks to the increasing tax levies applied to the additional earnings generated by the Program implementation. Such new earnings will derive mainly from:

- the increase in tourist flows, that will consequently stimulate a growth in all the economic sectors directly and indirectly related to the tourism one;
- the increase in the overall revenues of the commercial activities located in the city core, which will directly benefit from the interventions foreseen by the physical action n.01 "Upgrading of the street network".

Over the 5-year implementation period, the Government will have to provide about US\$ 1,265 thousand in counterpart funds under the Project, with a maximum of US\$ 705 thousand in FY02. This level of investment is less than 0.065 percent of the 2003 country's total gross domestic investment (about US\$ 2.2 billion) thus, it should not cause any fiscal constraint. The WB will finance 70% of the project, the Central Government will finance 13% and the Municipality 2%. Private investors will provide the remaining funds, representing 16% of the total

There will be a slight increase in recurrent expenditures resulting from all new or rehabilitated infrastructures under the Project. These are estimated at about US\$137 thousand per year.

KARAK CRP FINANCIAL PLAN

IMPLEMENTATION PERIOD (amounts in US\$)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Financing Required										
Project costs:										
Investments costs	660,942	2,717,923	3,970,095	1,076,368	108,000 0	0	0	0	0	
Recurrent costs	26,880	26,880	26,880	26,880	26,880					
Total project costs	687,822	2,744,803	3,996,975	1,103,248	134,880 0	0	0	0	0	
Interest during construction	0	0	0	0	0 0	0	0	0	0	
Total Financing	687,822	2,744,803	3,996,975	1,103,248	134,880 0	0	0	0	0	
Financing										
Government:										
Central	630,322	2,738,083	3,435,900	261,636	54,000 0	0	0	0	0	
Municipalities	57,500	6,720	13,440	20,160	80,880 0	0	0	0	0	
Privates	0	0	547,635	821,452	0 0	0	0	0	0	
Other	0	0	0	0	0 0	0	0	0	0	
Total Project Financing	687,822	2,744,803	3,996,975	1,103,248	134,880 0	0	0	0	0	
OPERATIONAL PERIOD (amounts in US\$)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Financing Required										
Project costs:										
Investments costs	0	0	0	0	0	0	0	108,000	0	0
Recurrent costs	0	0	3,600	16,200	47,880	106,680	128,880	137,880	137,880	137,880
Total project costs	0	0	3,600	16,200	47,880	106,680	128,880	245,880	137,880	137,880
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	0	0	3,600	16,200	47,880	106,680	128,880	245,880	137,880	137,880
Financing										
Government:										
Central	0	0	3,600	16,200	47,880	41,400	54,000	117,000	63,000	63,000
Municipalities	0	0	0	0	0	26,880	26,880	80,880	26,880	26,880
Privates	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total Project Financing	0	0	3,600	16,200	47,880	106,680	128,880	245,880	137,880	137,880

7. Risk analysis and proposed mitigation measures

RISKS	MITIGATION
INTERMINISTERIAL COOPERATION AND COMMITMENTS. The project success demands coordination and ownership from at least three ministries (MOTA, MOMA and MOPIC), and their respective roles and responsibilities have to be clear from the outset, especially with respect to the municipalities.	The project preparation is done in close coordination with the three ministries and their comparative advantages are emphasized: MOTA has demonstrated technical capacity to design and implement the urban rehabilitation packages of work, and take charge of the tourism development aspects of project, MOMA is involved in the municipal management and finance reform, and could pilot some suggested improvements in the 4 municipalities, and MOPIC is providing general oversight for project financing and regional development issues.
MUNICIPAL CAPACITY AND OWNERSHIP The institutional assessment has pointed out significant areas of weakness of GKM, especially in the urban planning and management.	During the previous project implementation and proposed project preparation MOTA took the lead in developing close political and technical cooperation with the project municipalities and their core staff. Greater Karak Municipality will participate and sign the "City Revitalization Pact" committing itself to certain critical actions, commensurate with their capacity. The project will provide capacity building to GKM, including supplementary staff, training, equipment and management tools dedicated to the historic core.
SUSTAINABLE ASSET MANAGEMENT PRACTICES Lack of demonstrated commitment of all stakeholders and especially of the municipalities to asset protection through urban regulation and adequate asset operations and maintenance can put at risk the sustainability of investment in the quality public spaces in the historic cores.	Recognizing this common problem: (a) a set of most critical urban planning and asset management tools would be provided to the municipalities in the framework of the capacity building action, in the earliest stages of project implementation; (b) a complete historic core regulation has been prepared, and will be approved before effectiveness. Effective enforcement of this regulation is one of the specific objectives of the capacity building action. As part of the City Revitalization Pact, the municipality will commit to learning and adopting sustainable asset management practices with the help of the tools and incentives provided under the project.
INVOLVEMENT OF THE CIVIL SOCIETY AND OF THE PRIVATE SECTOR The project will be implemented, but the sense of ownership of the residents will not be increased. Owners of buildings in the perimeter area will not be stimulated to invest in the rehabilitation. Private sector not sufficiently involved in the project.	During the preparation of the project, a city consultation workshop involving main stakeholders has been carried out. The results of this consultation have been carefully considered and incorporated in the program. In the framework of the capacity building action, provisions have been made to improve the forms of participation of the local population and of the local stakeholders. A specific section of the study has been devoted to the involvement of the private sector in project implementation.

TABLE 6 - RISKS AND MITIGATION MEASURES

8. Implementation arrangements

8.1. PROJECT EXECUTION AGENCY AND ROLE OF LOCAL AUTHORITIES.

The Technical Development Department (TDD) of MOTA will be the implementing agency and will ensure the interministerial coordination within the central government (particularly with MOMA and MOPIC). The project will pilot a binding agreement (city revitalization pact) between all institutional parties involved in the project implementation. The agreements will state the stakeholder respective implementation and financial commitments. The authorities involved in the implementation of the city revitalization program are:

- the Ministry of Tourism and Antiquities;
- the Ministry of Planning and International Cooperation;
- the Ministry of Municipal Affairs;
- the Governorate;
- Greater Karak Municipality.

The coordination and monitoring of the program will be managed by a joint coordination and monitoring committee (*Lajnat tansik wa Ishraf*). The City Revitalization Pact includes provision for the operations of the committee.

ROLE OF THE MINISTRY OF TOURISM AND ANTIQUITIES

The MOTA carries the mission of the sustainable tourism development towards economic prosperity and will be the **delegated project and contract manager**, while the other authorities will facilitate the achievement of the objectives of the CRP and the resolution of the problems. MOTA will ensure the timely execution of the following activities:

- overall coordination of the CRP, including the operation of the coordination and monitoring committee (*Lajnat tansik wa Ishraf*);
- financial coordination and management of the CRP;
- monitoring and six-monthly reporting activities, in compliance with the approved monitoring and performance indicators;
- quality control of technical services and works;
- ensuring appropriate operational levels of the Technical Development Department for the duration of the CRP;
- promoting effectively the tourism activity and the image of Karak, within the framework of the national tourism development policy;

For the implementation of the physical actions described herein, the MOTA will ensure the following activities:

- management of the agreements with appropriate private partner(s) for the public/private partnership actions;
- putting in place an appropriate coordination with the providers of utilities including water, sewerage, electrical power, telecommunications, etc.
- technical activities needed for the realization of the project actions listed herein, including, but not limited to: (a) preparation of Terms of reference for the surveys, architectural and engineering design and works supervision; (b) award of technical services; (c) management of the design stage; (d) final approval of the design;

- procurement of works needed for the realization of the project actions listed herein, including but not limited to: (a) tendering procedures, in compliance with the reference World Bank regulations and standards; (b) award the construction contract; (c) manage the execution of works; (d) handover the works to the Municipality or the private partner(s), as required;

For the implementation of the capacity building action, the MOTA will ensure the following activities:

- general management and coordination of the capacity building action;
- procurement of goods and equipment, including but not limited to: (a) tendering procedures, in compliance with the reference World Bank regulations and standards; (b) award the procurement contract; (c) manage the execution of works; (d) handover the works to the Municipality or the private partner(s), as required.
- procurement of technical services to deliver to the Municipality the training and technical assistance described in the project.

ROLE OF THE MINISTRY OF MUNICIPAL AFFAIRS

The MOMA carries the mission of providing all assistance to municipalities to build their institutional capacities and to support them in their provision of the infrastructure needed for sustainable development and better services for local communities.

The Ministry of Municipal Affairs will contribute to the financing of the CRP by making available the funds for the acquisition and expropriations required. Moreover, the contribution of MOMA for the successful implementation of the CRP includes:

- passing the decree for the approval of the new Karak Historic Core regulation;
- collaborating with the Municipality to improve the current fiscal, budgeting, staffing, and other relevant issues for empowering the Municipality to assume the management of the renewed assets upon handover from the Ministry of Tourism and Antiquities;
- collaborating with the Municipality to ensure financial and budgeting stability during the implementation period of the CRP, also by appropriate management of transfers.
- approving the financial engagement of the Municipality and the organizational measures included in the capacity building action.

ROLE OF THE GOVERNORATE OF KARAK

The Governorate is responsible for maintaining security and public safety, coordinating the work done by the various government departments and institutions in the Governorate and making available the requirements for the economic and social development of the Governorate. The participation of the Governorate is crucial to mobilize the providers of the municipal utilities and ensure their support to the CRP.

ROLE OF GREATER KARAK MUNICIPALITY

GKM is the representative of the local community and the principal owner of the CRP on behalf of the population. It will contribute to the financing of the CRP with the funds required to cover 50% of cost of the equipment that the CRP will deliver in the framework of the capacity building action; moreover, the GKM will cover a progressive share of the cost of the new personnel recruited as described in the following table.

Year 1	Year 2	Year 3	Year 4	Year 5
0%	25%	50%	75%	100%

The Municipality will develop and implement, under the supervision of the Ministry of Municipal Affairs, an action plan to progressively improve, within the timeframe of the project, the collection the tax and fees related to building and construction licensing; and planning and development, and specially those connected to the improvement of the historic core.

For the implementation of the new historic core regulation, immediately after the Ministry of Municipal Affairs has passed the approval decree, the Municipality will immediately mobilize itself to ensure strict application and immediate enforcement of the new regulation.

For the implementation of the pilot parking meters plan, the Municipality will provide for the installation of the parking meters in coordination with the executions of works in Al Malik Al Husayn Street. After the handover of the works, managed by MOTA, GKM will take in charge management and enforcement of parking meters, exploiting the economic benefits.

The role of GKM in the implementation of the physical actions includes the acquisition of the land and/or of the buildings, that is a required pre-condition for the entire CRP; after completion of works, GKM will receive the handover of the renewed public assets from MOTA and mobilize itself to ensure proper maintenance and management.

For the implementation of the capacity building action, the Municipality will put in operation a series of organizational measures (establish the cross-departmental municipal unit; establish a local committee of consultation with the stakeholders and civil society). Moreover, GKM will be responsible for:

- recruitment of the personnel required for the creation of the “technical support unit” and for the reinforcement of capacities of the municipality in urban planning and management;
- implementing the “Adressage” action;
- collaborating with the MOTA for implementation of the capacity building action.

Finally, as the principal owner of the CRP, the Municipality is to commit itself in the continuous and measurable improvement of the delivery of urban services, with a priority given to the following areas:

- management, maintenance and cleaning of the renewed public spaces;
- management and maintenance of the public utilities networks;
- solid waste collection and management;
- traffic and parking management;
- control of private building activities, including restoration, alteration and new buildings (if allowed);
- technical and administrative management of building permits;
- implementation and management of an appropriate geographic information system;
- control of commercial activities;
- control of signage, billposting, shop windows and showcases;
- sanitary and food control of restaurants, cafes, etc.

8.2. IMPLEMENTATION PLAN

(A) PROJECT COMPONENTS SUBCOMPONENTS		(B) ACTIVITIES	(C) IMPLEMENTATION AGENCIES	(D) NOTES OUTPUT INDICATORS	(E) EXPECTED DURATION	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. REGULATORY ACTIONS																									
1	Karak historic core regulation	Passing of the decree for the approval of the new Karak Historic Core regulation.	MOMA	Approved Karak Historic Core Regulation	6 months	■	■																		
2		Enforcement of the new HCR	GKM	After capacity building	To the end of the pro-gram			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
3	Pilot parking meters plan	Installation of parking meters	GKM	During action [K.01.a] Approx. 51 parking stalls.	3 months							■													
4		Enforcement of parking meters	GKM	Follows action [K.01.a]	To the end of the pro-gram								■	■	■	■	■	■	■	■	■	■	■	■	■
5	Traffic management program	Preparation of the traffic management program	MOTA	To be developed within the capacity build- ing/technical assistance component.	12 months					■	■	■	■												
6		Enforcement of the traffic management program	GKM		To the end of the pro-gram									■	■	■	■	■	■	■	■	■	■	■	■
B. PHYSICAL ACTIONS																									
7		Establishment of coordination arrangements amongst GKM and utili- ties providers.	Governorate			■																			
8	[K.01] Upgrading of the city core street network.	Design stage: (a) preparation of TORs; (b) award of engineering ac- tivities; (c) management of design stage; (d) final approval.	MOTA		11 months					■	■	■	■												
9		Works stage; (a) tendering procedure; (b) award of construction con- tract; (c) execution of works.	MOTA	~ 38,000 sqm rehabilitated public space (22,400 type B and 15,600 type C)	14 months									■	■	■	■	■							
10		Management stage: ensure proper maintenance and management of renovated public spaces.	GKM		To the end of the pro-gram													■	■	■	■	■	■	■	■
11	[K.01.a] Al Malik Al Hussaym street upgrading	Design stage: (a) preparation of TORs; (b) award of engineering ac- tivities; (c) management of design stage; (d) final approval.	MOTA		8 months		■	■	■																
12		Works stage; (a) tendering procedure; (b) award of construction con- tract; (c) execution of works.	MOTA	~ 5,000 sqm rehabilitated public space	8 months					■	■	■													
13		Management stage: ensure proper maintenance and management of renovated public spaces.	GKM		To the end of the pro-gram								■	■	■	■	■	■	■	■	■	■	■	■	■
14	[K.01.b] Salah Ad-Din Al Ay- yubi Street Upgrading	Design stage: (a) preparation of TORs; (b) award of engineering ac- tivities; (c) management of design stage; (d) final approval.	MOTA		9 months					■	■	■													
15		Works stage; (a) tendering procedure; (b) award of construction con- tract; (c) execution of works.	MOTA	~ 970 m of pedestrian paths; ~ 17,000 sqm of soft landscaped and re- habilitated public space	11 months								■	■	■	■									
16		Management stage: ensure proper maintenance and management of renovated public spaces.	GKM		To the end of the pro-gram												■	■	■	■	■	■	■	■	■
17	[K.02] The new “heritage walk” along the eastern side of Karak	Design stage: (a) preparation of TORs; (b) award of engineering ac- tivities; (c) management of design stage; (d) final approval.	MOTA		7 months		■	■	■																

(A) PROJECT COMPONENTS SUBCOMPONENTS	(B) ACTIVITIES	(C) IMPLEMENTATION AGENCIES	(D) NOTES OUTPUT INDICATORS	(E) EXPECTED DURATION	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
18	Works stage; (a) tendering procedure; (b) award of construction contract; (c) execution of works.	MOTA	~ 2,200 m of pedestrian paths	10 months					■	■	■	■												
19	Management stage: ensure proper maintenance and management of renovated public spaces.	GKM		To the end of the program									■	■	■	■	■	■	■	■	■	■	■	■
20	[K.03] The re-design of the existing bus station	Finalisation of the agreement with the private sector for the realisation of the new hotel.	GKM + private partner	6 months					■	■														
21	Design stage: (a) preparation of TORs; (b) award of engineering activities; (c) management of design stage; (d) final approval.	MOTA		8 months							■	■	■											
22	Works stage; (a) tendering procedure; (b) award of construction contract; (c) execution of works.	MOTA	~ 5,000 sqm rehabilitated public space ~ 80 new beds.	20 months										■	■	■	■	■	■	■				
23	Management stage: ensure proper maintenance and management of renovated public spaces.	GKM		To the end of the program																				
24	Management stage: ensure proper maintenance and management of the new hotel.	Private partner		To the end of the program																	■	■	■	■
C. CAPACITY BUILDING PROGRAM																								
25	Establishment of the cross-departmental municipal unit and mobilisation of the concerned municipal services.	GKM		3 months	■																			
26	Establishment of the local committee of consultation and follow-up of revitalisation with local stakeholders.	GKM		3 months	■																			
27	Recruitment of personnel	For the creation of a "technical support unit"	GKM	Recruitment of 6 persons	3 months		■																	
28		For the reinforcement of capacities of the municipality in urban planning and management	GKM	Recruitment of 2 persons	3 months		■																	
29	Training	Historic Core Regulations, conservation and restoration of historic buildings.	MOTA	Delivery of 15 training days Training delivered to the four municipalities jointly.			■	■	■															
30		Use of GIS and other tools for urban planning and management.	MOTA	Delivery of 15 training days			■	■	■															
31		Maintenance and management of urban services and spaces.	MOTA	Delivery of 15 training days			■	■	■															
32	"Adressage"	Phase I – Establishment of (a) coordination arrangements between TSU and urban planning dept.; and (b) work methodology.	GKM	3 months			■																	
33		Phase II : surveys, codification, cartography, construction of a data-base.	GKM	12 – 15 months				■	■	■	■	■												
34		Phase III: installation of signs with names of streets and buildings.	GKM	3 months									■	■										
35	Technical Assistance	Delivery of TA to support Karak Municipality.	MOTA	TA delivered to the four municipalities jointly.		■		■	■	■	■													
36	Equipment	Delivery of hw & sw equipment for the Karak Municipality.	MOTA	Delivery of technical IT equipment for 10 workstations	■	■																		

8.3. THE CITY REVITALIZATION PACT

The implementation of the CRP requires the coordinated activity of a number of institutional parties. Lack of inter-institutional coordination may disrupt the full and timely implementation of the project, minimized the expected outcomes and jeopardize the achievement of the project development objective.

To mitigate this risk and facilitate the effective realization of the project, the proposal of the **city revitalisation pact** has been incorporated in the project implementation arrangements. The pact will bind all the relevant stakeholders to their required commitments for the successful implementation of the project. The pact is organized in four sections:

- 1) **Objectives of the Pact.** This section lists the signatory institutions, states the role of coordination and management of the MOTA, briefly describes the CRP, including a summary economic and financial plan.
- 2) **Execution of the Pact.** This section gives details on the execution of the pact, including the organization and operation of a joint coordination and monitoring committee (*Lajnat tansik wa Ishraf*). Moreover, this section clearly spells out the needs and responsibilities in terms of acquisitions.
- 3) **Duration, cancellation, revision of the Pact.** This section states some procedural details.
- 4) **Summary of commitments.** This section spells out in detail, the implementation responsibilities and commitments of every signatory institution.

The complete text of the City Revitalization Pact is enclosed under attachment B.

The rationale which brought to the pact was developed based on the consolidated Italian procedural best practices of the *accordo di programma*¹ and the *conferenza dei servizi*² and of the French experience of the *contrats de ville*³.

The *accordo di programma* is a recent newcomer in the family of Italian land use and planning legislation. It was developed in recent years in order to accommodate approval procedures of all projects, even if they call for variations to local master plans. The assumption is that urban transformation often overrides master planning forecasts and that there is a strong need for a more flexible and direct procedure to allow for these transformations.

An *accordo di programma* concerning any urban project is therefore equivalent not only to the actual institutional approval of that project but also to an implicit modification of the master plan.

In much the same way, the pact is an instrument whose effectiveness overrides the problem of indicating specific implementation responsibilities for each action project by delineating, on a general yet operational level, the role and responsibilities of each institutional and/or private stakeholder involved.

¹ Literally: "programmatic agreement".

² Literally: "service conference".

³ Literally: "town contract".

9. Role of the private sector

The private sector is an essential player for the achievement of the development objectives of the city revitalization program. Only with a significant involvement of the private sector, the revitalization process will produce the development of existing sustainable activities and create economic benefits. The envisaged project actions will improve the local conditions to boost handicraft, trade and tourism; but to unleash the implicit economic outcomes, the private sector has to exploit the improved urban environment to cash in the benefits in terms of increased value added and employment. Moreover, it is assumed that the involvement of private capital to fund the project will anchor the CRP into the civil society, increase the sense of ownership and ensure the continuation in time of the revitalization process beyond the timeframe of the CRP.

The consultations undertaken in the framework of the preparation of this study have regarded a number of potential private sector players in Karak and in other cities. These consultations have shown a number of recurrent, negative issues and attitudes:

- 1) **Small dimension of private enterprises.** As the economic profiling has pointed out, the dimension of local enterprises is small. It is clearly understood that, if the objective is to privilege the involvement of the local community, the possible public-private partnership initiatives have to be carefully sized.
- 2) **Need of a clear vision of development and need of inclusion in terms of strategic planning.** The private sector sees as an obstacle the lack of a vision of the future development of the city. Potential investors are not ready to engage themselves into partnership initiatives with the public sector without a clear vision of development effectively supported by strategic planning. Moreover, they insist in playing a major role in the future of the city being involved in decision-making from the beginning.
- 3) **Lack of confidence in government proposals.** The private sector is suspicious regarding partnering with the public. There is a common feeling that, while the GOJ is capable in developing strategies and plans, there is a substantial lack of capacity and concreteness as long as actual implementation is concerned. The commitment of the public sector in terms of development projects needs to be supported with tangible realizations. Moreover, it has been pointed out the importance that the presence of the public sector should be minimized and limited to creating infrastructures and facilitating the start up of new activities.
- 4) **Lack of a structural framework for development.** While the city offers some possible public-private partnership developments the urban framework does not support this economic potentials. For instance, traffic and parking issues are an obstacle to the development of trades and to all tourism related activities. Neglect of cultural heritage frustrates any possible cultural heritage-based tourism development. The Municipality has to find a way to support the private sector, in the first place by fulfilling its institutional duties in a more efficient manner.
- 5) **Lack of a vision in terms of product development.** To benefit from their development potential in terms of skills and living culture, cities have to attract visitors to tour their heritage sites, attend their specialized schools, eat at their restaurants and buy their typical products. Currently "product development" as a mean of enhancing the visitors experience is still not comprehended universally in Jordan. Visitors do not appreciate anymore visiting deserted, unfriendly sites; rather, they need a complete experience of the city and of the local culture. Therefore, it is important to offer a complete cluster of services and products.

Given the environment described above and the consequent attitude toward possible forms of public-private partnership, the program will focus on a progressive involvement of the private sector, rather than an immediate participation through the establishment of PPP “deals”.

Although a more specifically focused project could face those problems in a more comprehensive way, the Karak CRP will tackle some of these issues and improve the potential PPP environment while providing (a) a vision and a strategic action plan for development; (b) evidence of the concreteness of the commitment of the public sector by actually activating a tangible renovation of the historic core; and (c) an improved structural framework for the development of the private sector.

The Karak CRP includes a project action, essential for the success of the program, that should be particularly attracting for the participation of privates. The action envisages **the redevelopment of the bus station**, where the role of the private partner is to ensure the development and management of the new hotel that will be part of the redeveloped complex. The action is described in detail in Annex 1, and the business plan for the private partner is enclosed under attachment C.

It is expected that the PPP environment will immediately benefit from the concrete implementation of the early actions as an evidence of the real commitment of the government for the revitalization of the historic core. For this reason, the implementation plan does not place the public-private partnership actions at the earliest stages of the project cycle, but rather after the implementation of the upgrading of Al Malik Al Husayn Street, that involves the central commercial spine of the city, thus ensuring a maximum visibility. It is expected, after this stage, to have the best conditions for the successful marketing of the PPP action to the private sector.

The weakness of the suggestions that emerged during the local consultations with the operators in Karak confirms the uneasiness of the private sector and the weakness of their ideas. Rather than true PPP partnership, the potential investors are looking for financial support, possibly under the form of grants, to rehabilitate building or start up new activities.

- 1) **The Mo'ab Tourist Cooperative Association.** It is a new NGO under formation, whose objectives are to improve awareness and create sustainability with respect to cultural heritage and tourism, and to supervise projects related to these objectives. This association includes amongst its members the Cooperative Union, the Karak Plaza Management Committee, the Ministry of Tourism and Antiquities, as well as the operators from the tourism sector. The association proposes itself as a possible player in an action for the adaptive reuse of some ninety heritage buildings existing in the historic core of Karak.
- 2) **The redevelopment of the Karak Rest House.** This action was extensively discussed. It concerns the creation of a bed and breakfast facility through the rehabilitation of the existing Rest House which is flanking the right side of the street leading to the castle. It is conveniently located, has a great view, and could become operational within a short period of time. The building is owned by the Social Security never took action and is not operational and neglected since 2002.