

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

Salt

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
GSM	Greater Salt 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 centers 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, Jerash, 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. SALT

The city of Salt is unique in Jordan, and probably in the whole region. The golden stone houses, clustered on the slopes of the hills without obstructing the view or intruding into the privacy of surrounding buildings, reflect the social relations that prevailed between the inhabitants. Salt is one of the most consolidated and oldest urban settlements in Jordan; today the old city centre maintains a very local original character. The **urban form** of the city is strictly related to its development around the spring in the Akrad Valley, on three hills: Al-Qal'a, where still the ruins remain of the mediaeval castle, Al-Jada'a and As-Salalem, and it is separated by the flood plains of Wadi-Akrad and Wadi-Es-Salt. The small tree-covered hill of Al-Jadour gives additional enclosure to the south. The townscape quality of the mass of its buildings, spread out over the hillsides like an architectural amphitheatre, make Salt's urban landscape unique in Jordan. A web of footpaths and stairways run across the slope, while a limited street network follows the slopes where the contours allowed.

The early history dates back to the Bronze Age. Salt belongs to a group of towns including Nablus, Jerusalem, Hebron, etc. that used to be culturally and socially very strictly related. Most of these cities fall today in Palestine and the rest of the Occupied Territories where several of the old Salti families have their origins. The governorate was established in 1866; since then, Salt was transformed from a rural settlement into a rich city with a unique townscape and elaborate architecture. During the Ottoman period, the new development of Salt was completely different from the former traditional village buildings - "peasant" houses. The golden stone houses clustered on the slopes of the hills, the unity and historic significance of the architecture, still bear witness to the "Golden Age" between 1890 and 1920, when a significant flow of population migrated from surrounding areas to settle in the city. The new buildings were urban in character, different in construction and with a distinctive regional architectural style, although village houses continued to be built on the outskirts for the more rural and poorer population. After 1920, the European influence and new materials such as steel and concrete increased. In the 1940's, buildings were an interpretation of international "modern", but still built in Salt stone with refined masonry details. Salt stone was not used after 1950, and the quality of craftsmanship declined.

Nowadays in Salt, not only does the built fabric retain its quality, but also much of the traditional way of life such as the Souk and the pedestrian circulation, which show a character totally different from the other cities of Jordan. The Saaha, where the governorate activities were concentrated, is the focus for the main institutional and merchant houses and commercial buildings. The historic core is still a bustling traditional market-town, adding up to a mixture of heritage, charm and tourism potential which has a great development potential.

Balqa Governorate covers an area of 1,076 km² and is located in the middle region of Jordan. Salt city, in Salt Sub-District within the Qasabat Salt District, is the main city in the Governorate and is located around 28 km to the north-west of Amman. It falls under the jurisdiction of the Greater Salt Municipality. In the last ten years Salt nearly doubled its population, registering an annual growth rate of 10%, which is almost five times bigger than the national average, currently at 2.1%. The population is young, with 45% below 19 years, mainly school, college or university students. The average annual household income of Salt Sub-District is estimated to be 8,045 JD, which may be considered as one of the highest incomes in Jordan; in fact, in Salt only 4.43% of the population is under the poverty line and the poverty rate has declined by 10.52% since 1997.

Only 39% of the 15+ years old population of Balqa Governorate is **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; in fact, students constitute 1/3 of the economically inactive population, and the housewives almost a half. 34.4% of the population is employed (only 10% of the females); the three labor-intensive sectors are the public and armed forces sector (16% of the employed), which is up to now by far the more attracting for high-skilled young seeking for work, trade (13.4%) and education (11%), which is chosen by 34% of the economically active women. Similarly to the national level, in 2004 employment in public administration and defense has slightly decreased, with job shedding in other sectors such as real estate, personal services, manufacturing and agriculture. Wholesale and retail trade and the construction sector showed a slight increase.

Unemployment rate in Balqa Governorate has significantly decreased in the past years, and now stands at 11.8%, lower than the national average. Nevertheless, lack of employment still remains a problem for Salt residents; surveys realized at the Governorate level have shown that 58% of the economically inactive persons believe that there are no jobs around and are tired to seek a job. The unemployed are mostly educated holding diplomas or university degrees, and the trend over the past five years shows an increasing number of applicants for jobs in the government. By the end of 2003, the Ministry of Labor has permitted 8,345 **foreign laborers** for work, 71% of them being Egyptians who work overall in the construction sector and unskilled production, as well as in the agricultural sector and in services.

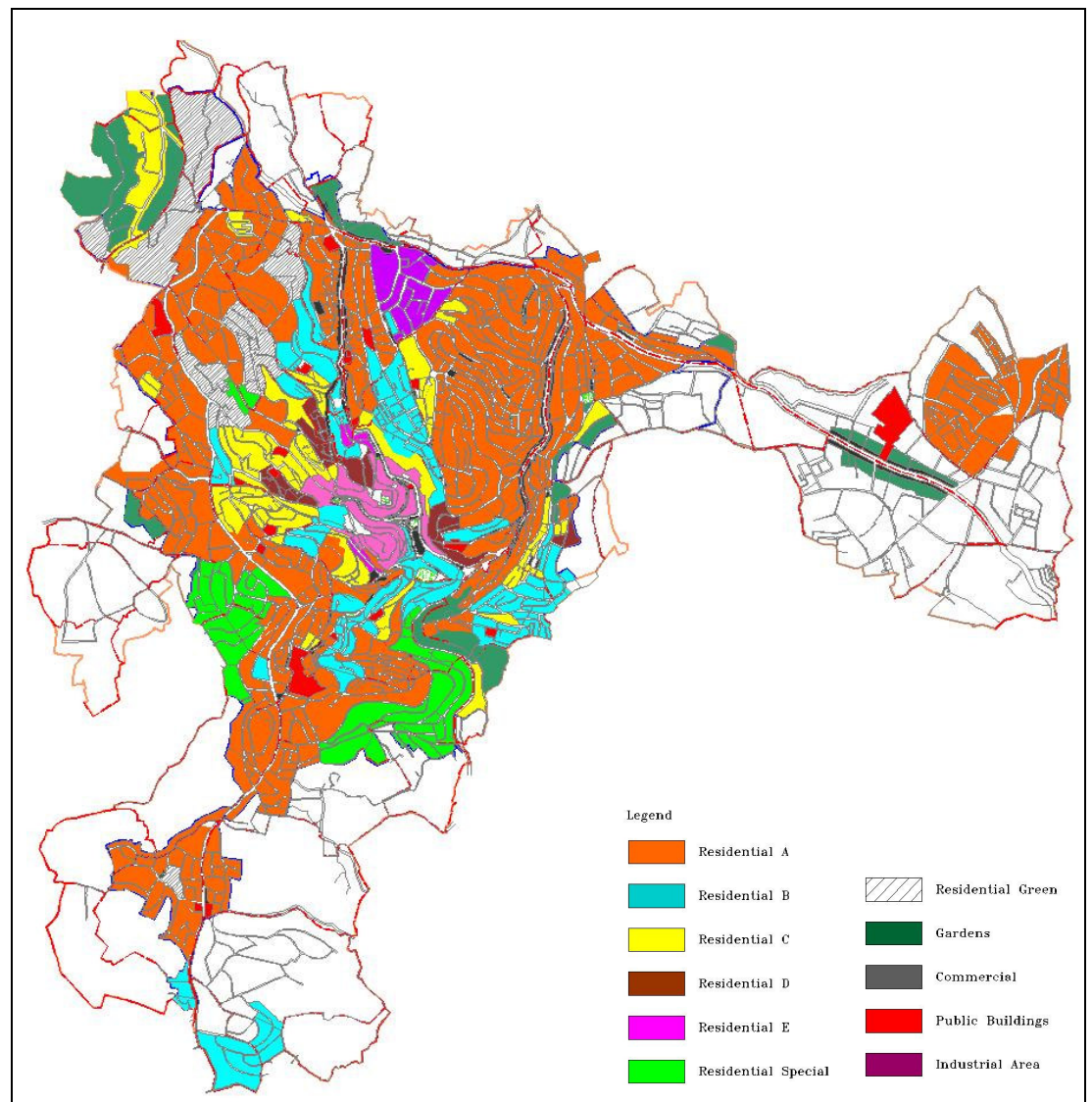
In the **private sector**, almost all establishments are small, employing on average 2 or less employees, manufacturing establishments having the biggest dimension and trade the smallest. The two main commercial streets that encompass the commercial and service activities are Yarmouk and Maydan Street; however, given the increasing congestion of the historic core, many shoppers would now prefer to relocate elsewhere and avoid coming downtown.

The **informal sector** involves mostly men and women between 25 and 45 years of age. Half of the informal operators run their operation by themselves, while the rest employs only 1-2 persons; in most cases, the home-based activity is not the major income generator for the family and it is considered as a supplementary income averaging around JD 570. The informal sector is attracting new and young entrepreneurs who are joining the market especially after attending training courses as beauticians, or in embroidery, handicrafts and food production. The major problems faced by the informal operators are the lack of marketing and outreach programs, the absence of a fixed facility from where to display and sell the products in a sustainable manner, and competition from cheap imported products. Besides, finance is

another need of the informal businesses; currently there are only 4 institutions offering micro-finance to 373 informal businesses, only one of them being private and having started its operations in the second half of 2004.

The presence of NGOs and CBOs is weak, most of them being oriented towards cultural and educational programs, while only a few charity associations actively support the informal businesses and provide them with training and awareness raising. Furthermore, they also provide marketing vehicles to informal businesses products, yet not in an organized manner.

Presently, the **tourism sector** has no significant activity in Salt. Actually there are no tourists coming to Salt and the supply of tourism related facilities is non-existent. The residents are aware of their city's importance in Jordan and of its distinctive and attractive character; therefore, there is a widespread feeling of resentment amongst for the fact that Salt has been left out from the tourist map of Jordan, and blame for this is laid on Ministry of Tourism's shoulders. On the other hand, there is a prevalent lack of awareness about the potential economic benefits of tourism. People are not used to interact or have cultural exchange with visitors and have no knowledge on how to dialogue with tourists or how to treat them. Generally speaking, at present it is expected a bigger role from the government and municipality regarding any effort in developing the tourism sector.



THE CURRENT MASTER PLAN

As a consequence of the increased population and the expansion of the construction activity, the municipal area of Salt has frequently expanded, and new neighborhoods were added laying over a mountainous region. The Municipality has expanded in the past century to the extent that, in 1993, it included the districts of Umm Zaytoona, Batara and Kafr Hooda. In 1997, the Al- Saru District was annexed to the Municipality.

The current land use **Master Plan** dates back to 1983. The zoning identifies residential areas that start from the historic core (mainly type D and E areas) gradually moving outside (mainly type A, B and C areas). There are also broad Residential Special zones, mainly on the southern side of the city and Agricultural residential zones, located on the north west side of the city, in tight connection with the A, B, C, Residential Special and Green areas - gardens and urban parks at the western end of the Municipality. The areas for governmental buildings are homogeneously distributed across all the municipality with the exception of the north-west quarter, where Residential A zones prevail. A vast industrial area is located to the west of this A zone, thus bordering with the inhabited areas.

The destination of the historic core is mostly for commercial and residential destination. Green areas are scarce, mostly concentrated within the core. In 1990, the Royal Scientific Society proposed the Salt Heritage Zone, with three concentric planning control areas: a Landscape Protection Area, an Urban Form Protection Area, and a Restoration Area. Within this last area, various heritage buildings conservation projects have been identified. According to the current land use plan, the areas where these interventions were identified are to be used for Residential E and Commercial. In fact, the plan does not provide any indications or perimeters of the areas to be placed under protection where historical and heritage buildings are found, nor it identifies buildings of particular relevance and interest.

Salt Municipality seems to be **an exception** in the framework of the ten governorate cities, for the general positive trend rather than for the overall amount of its revenues, and namely the self revenues in 2002 and 2003, after the merger, while the other municipalities show a significant decrease of incomes..

Doubtlessly, the merger in Salt had the effect of increasing governmental transfers: the fuel tax increase from 4 JD per capita in 2000 up to 10 JD per capita in 2002, Moreover, despite the merger and in opposing trend with other cities, Salt succeeded to slightly increasing the self revenues, and have a significant increase of the building licensing revenues.

As long as expenditures are concerned, Salt is characterized for a cost of labor lower than the other cities (11 JD per capita, 39% of the total amount of expenditures). Consequently, a greater share of the expenditure is committed Capital services expenditure. Moreover, the amount of expenditure for maintenance, while greater than the average, is still very low.

The institutional assessment has shown that the following **recurring key issues** affect the capacity of the Salt Municipality, although **to a lesser degree** than the other cities, and may hinder its successful participation in the CRP: (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 concerning the storm drainage network, that is old, partly dating back to the Ottoman period, and requires significant improvement. The main traffic issues concern the concentration of traffic-attracting activities in the historic core (market, bus station, slaughterhouse, public buildings) and the limited availability of parking in the historic core; the municipality is engaged to tackle this issue with a number of actions.

2. Key issues

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

- 1) **Fragmentation of socio-urban fabric.** Salt is made of separated residential compounds highly characterized for tribal belonging. The core does not succeed in playing the role of federating place and pole of economic, social and urban centrality.
- 2) **Exclusion of the city from the economic benefits of tourism.** While people from Salt have been strong actors in the Country's modern history, yet the city is excluded from tourist flows. The cultural heritage as an economic asset remains totally underdeveloped. The potential assets in terms of human resources, skills and culture, remain largely under-utilized.
- 3) **Physical decay of the urban environment.** Urban space is affected mainly by physical decay, traffic and parking congestion (with the resulting visual and acoustic pollution), and visual clutter. The urban fabric is threatened by uncontrolled urban growth dissecting the traditional urban structures. 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.
- 4) **Threats to cultural heritage.** The built cultural heritage is threatened by lack of maintenance, neglect and encroachment. The significant built heritage of the Ottoman period is not protected by an appropriate legal framework.
- 5) **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.
- 6) **Decay and crisis of public spaces.** The main factors that affect the urban environment of Salt contribute to decrease the quality of the urban space and of the experience of the city for residents, visitors and tourists.
- 7) **Economic stagnation.** The local economy is affected by a number of factors leading to economic stagnation. Salt potential development as a quality urban park is affected by the lack of tourist attention given to it.

3. Development objectives

3.1. VISION AND CONCEPT

The main challenge that the historic core of Salt 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 build 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 roles, and urban space is improved for the benefit of residents and visitors.

From an **economic** point of view, the revived historic core will establish the pre-conditions for the progressive development of tourism activities, which in Salt do not have any relevance.

From an **urban** point of view, the focus is on the improvement of the socio-urban fabric and the improvement of the urban environment as a high quality urban park.

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 Salt 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 GSM 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	13,321	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
Activity rate	38.9%			
Employment rate	34.4%			
2. INCREASED EMPLOYMENT IN THE ECONOMIC SECTORS INVOLVED				
Commercial sector	1,800	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	120			
3. INCREASED VALUE ADDED OF THE ECONOMIC SECTORS INVOLVED				
V.A. services sector	2.16 MJD	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
V.A. commercial sector	5.52 MJD			
4. INCREASED LOCAL EMPLOYMENT OF THE WOMEN				
Women occupancy rate	10.5%	Yearly report issued at national and governorate level	Department of Statistics, Employment and unemployment Yearly Report	Department of Statistics
Women activity rate	11.9%			
5. INCREASED LOCAL EMPLOYMENT OF THE YOUTH				
Youth occupancy rate	50%	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	857 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	301,934 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from planning and development	3.14 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total revenue from licensing of building and construction	132,669 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from licensing of building and construction	1.38 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total revenue from job licensing	88,046 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita revenue from job licensing	0.91 JD	Yearly from official municipal budget	Official municipal budget	Municipality

IMPACT INDICATORS	BASELINE	FREQUENCY AND REPORTS	DATA COLLECTION INSTRUMENTS	RESPONSIBILITY FOR DATA COLLECTION
8. MUNICIPAL EXPENDITURE FOR MAINTENANCE				
Total expenditure for maintenance of streets	22,034 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for pedestrian pathways	12,464 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for park and public gardens	11,122 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for water drainage system	2,860 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total expenditure for street lighting system	9,024 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Total indicator of maintenance	57,504 JD	Yearly from official municipal budget	Official municipal budget	Municipality
Per capita indicator of maintenance	2.19 JD	Yearly from official municipal budget	Official municipal budget	Municipality

TABLE 1 – OUTCOME/IMPACT INDICATORS

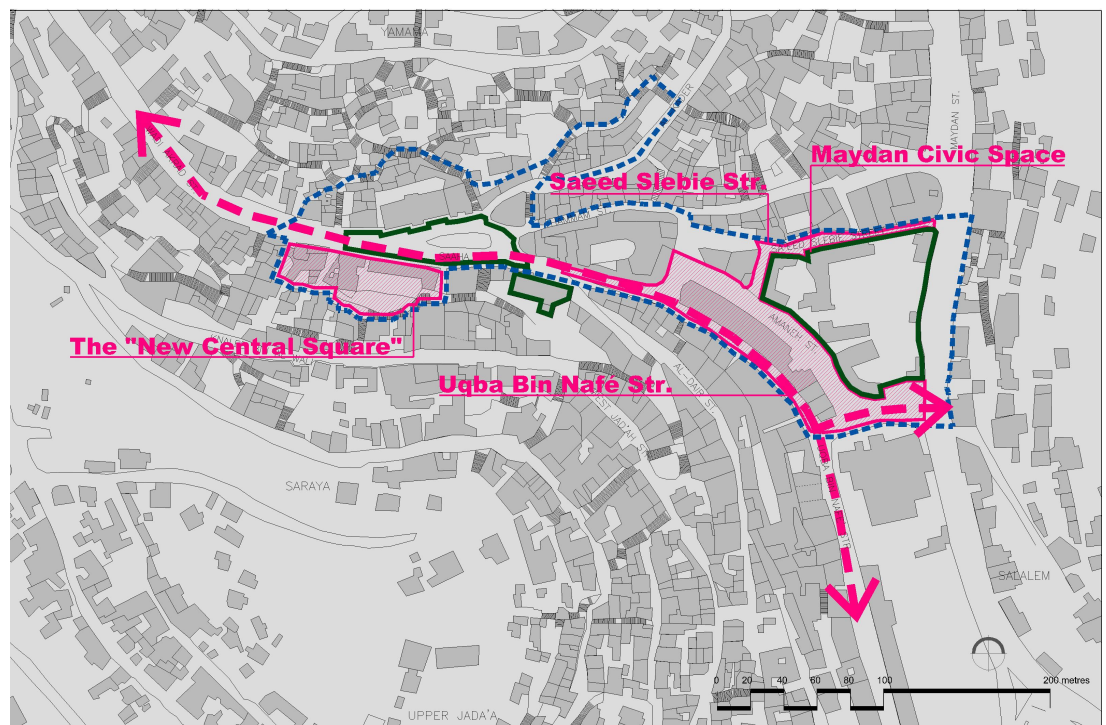
4. Description of the program

4.1. SCOPE OF THE PROGRAM

The **target area** of the CRP is the historic core of Salt. The project area has been determined taking into consideration the site topography, the extension of the urban fabrics and the road network. It includes the Al-Qal'a Hill, the Al-Jada'a Hill and the western side of As-Salalem Hill. This area will be subjected to the new historic core regulation. Within this perimeter, an "inner core" has been individuated for a more comprehensive action of urban restoration.

The main focus of the program in Salt is on the realization of a **new central urban space**. This will be achieved by the use of the area freed by the demolition of three existing modern intrusive governmental constructions. The new public space will expand the traditional space of the Saaha, and enhance the urban centrality functions, including also small scale commercial development. This new "central place" will help to build social cohesion amongst the different social groups providing a common federating space for the entire population.

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 create the pre-conditions for tourism related economic activities.



Within this inner core, the **upgrading of the street network** will complement the on-going project from other international donors and mark the territory of the historic core as a quality urban space. This action 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 up-grading 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 actions will concentrate on Al-Dair Street, Oqba Ben Nafe’ Street and Sa’eed Slebie Street. In this area, street side parking pockets, with a pilot provision of **parking meters** (44 parking stalls), will organize the parking. A possible management scenario of these parking stalls is described in the enclosed parking management plan. Appropriate provision have been made for parking stalls dedicated to loading and un-loading of commercial goods. Moreover, urban décor will be enhanced by a new public lighting system. Urban furniture includes, amongst others, appropriate bollards to protect the platforms from unauthorized parking, while keeping the curbs within a reasonable height.

The main project actions are complemented by a provision to encourage the private owners of heritage buildings with specific financial incentives to preserve, rehabilitate and restore their assets. For this purpose, a **Heritage Fund** for the Protection of Salt Urban and Architectural Sites will be established to provide the necessary funding. It will be a non-repayable fund managed by Salt Municipality providing loans and financial assistance for the purposes within the framework of the new historic core regulation.

While the physical actions described herein will have the most immediate impact on the city, the new **Salt 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 Salt urban environment is the visual clutter, particularly 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 Salt 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 Salt 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 Salt 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. Moreover, a Heritage Fund contribute to the overall improvement of the urban environment, by providing financial support for the conservation of the heritage buildings
- 2) **Physical actions.** This component includes a number of urban rehabilitation project actions that would comprehensively upgrade the historic core of Salt, to develop high quality open public multipurpose space and community and commercial facilities. The component will finance: (a) the upgrading of the street network and of the public space; and (b) the creation of the new “central square”.
- 3) **Capacity building.** This component will strengthen the capacity of Greater Salt Municipality to ensure successful implementation of the CRP. The component will support hiring supplementary staff for GSM, 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\$ 5.4 million.

4.2.1. REGULATORY ACTIONS

SALT 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 Salt historic core regulation is to ensure protection while fostering livability for the residents and visitors. Moreover, it will describe the interventions eligible for access to the Heritage Fund together with standards and criteria to be observed.

The main responsibility for the enforcement of the new Salt Historic Core regulation will be with GSM. 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 realization of the new central square, with the realization of 44 parking stalls that will be controlled by parking meters. Salt 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).

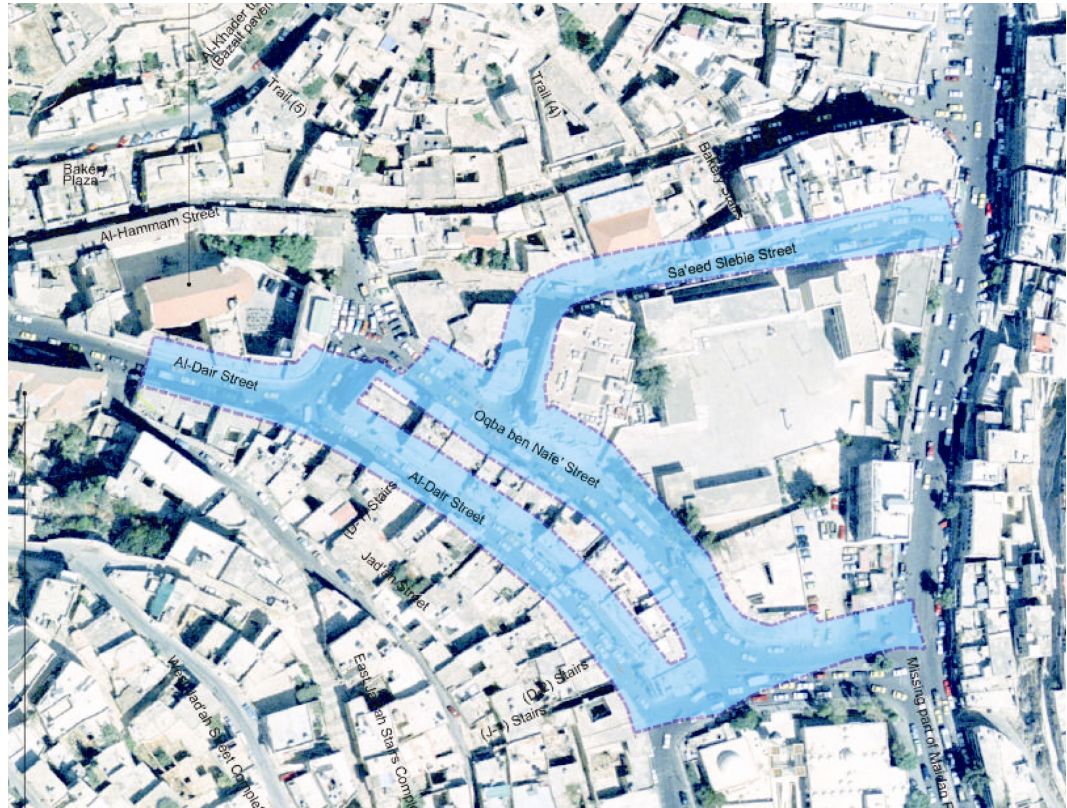
THE HERITAGE FUND

To prevent the complete neglect and loss of the Ottoman heritage buildings the CRP will support the owners with specific financial incentives for the restoration. This incentives will be provided through the Heritage Fund for the Protection of Salt Urban and Architectural Sites ("Heritage Fund"). It will be a non-repayable fund managed, by Salt Municipality. The managing mechanisms of the Heritage Fund will be designed within the framework of the Interim Law No. 49/2003 for the Protection of Urban and Architectural Heritage. The fund will be available to the owners of buildings qualified as "heritage buildings" by the Salt Historic

Core Regulation and located within the area identified as Salt Historic Core.

4.2.2. PHYSICAL ACTIONS

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



This action will reinforce part of the street network, namely Al-Dair Street, Oqba ben Nafé Street and Sa'eed Stable Street. The system of the three streets extends from the Saaha area to Maidan Street and contributes to the urban integration of the eastern portion of the sloped urban fabric with the city center and the refurbished suq. In feeding directly into the Saaha compound the system becomes an integral part of the infrastructural network, which serves the proposed New Public Space facing the city Mosque. 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.

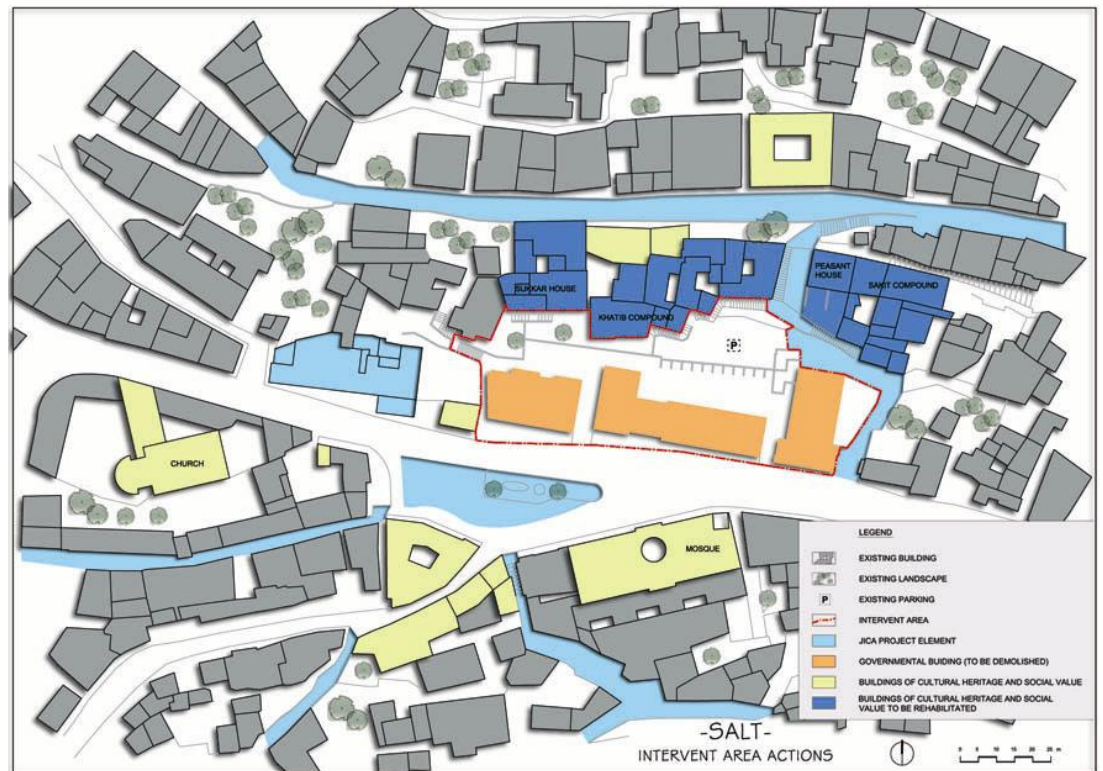
The specific objectives of this action are:

- 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.

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 6,650 sqm of rehabilitated public space.

[S.02] THE NEW “CENTRAL SQUARE”



This project will create a new central urban space by the use of the area freed by the demolition of three existing modern intrusive governmental constructions. The new public space will expand the traditional space of the Saaha, and enhance the urban centrality functions, including also small-scale commercial development. This new “central place” will help to build social cohesion amongst the different social groups providing a common federating space for the entire population. The backdrop of the new urban space is a continuous architectural system, positioned roughly 12 m above the topographical level of the Saaha, formed by three significant Ottoman heritage buildings, namely the Sukkar complex, the Khatib complex and the Sakit complex.

The specific objectives of this action are:

- 1) to improve the environmental quality of the urban space by removing the modern intrusive buildings and re-establishing the visual unity of the “amphitheatre” urban fabric;
- 2) to supply the residents with high quality urban spaces;
- 3) to give economic benefits to the city by creating a place to showcase the local handicraft and typical products and improving the local skills.

This action is tightly connected with the Heritage Fund that will contribute to the overall improvement of the urban environment, by providing financial support for the conservation of the heritage buildings.

The new “Central Square” will provide the city with an outstanding architectural statement, which will improve the environmental quality of the overall cityscape by enhancing the symbolic role of the Saaha as the umbilicus of Salt’s morphological structure.

The implementation of this project will take the form of a public-private partnership, in which the private partner will ensure the development and management of the new commercial fa-

cilities. This action will provide approximately 4,000 sqm of rehabilitated public space and 210 sqm of new commercial facilities.

4.2.3. CAPACITY BUILDING

The objective of the capacity building action is to strengthen the capacity of GSM 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.

4.3. 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	
Salt historic core regulation	Approved Salt Historic Core Regulation
Pilot parking meters plan	Number of parking stalls included in the pilot
Salt Heritage Fund	Number heritage buildings restored Amount of investments activated
B. PHYSICAL ACTIONS	
[S.01] Upgrading of the street network and of the public space.	Square meters of rehabilitated street network/public space
[S.02] The new "central square"	Square meters of rehabilitated public space Square meters of commercial spaces
C. CAPACITY BUILDING	
Recruitment of personnel	Recruitment of 8 persons
Training	Delivery of training program to GSM
"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 2 – OUTPUT INDICATORS

5. Estimated costs and financing plan

The total investment will amount to 5.4 million US\$, with the main investments being concentrated in action "S.02 The new central square" (52.07%).

PROJECT ACTIONS	JD	US\$	%
S.01 Upgrading of the street network	458,864	647,654	11.92
S.02 The new "central square"	2,005,176	2,830,166	52.07
Capacity building		457,650	8.42
Heritage fund		1,500,000	27.60
<i>1 JD =US \$1,41</i>			
Total cost of Salt CRP		5,435,470	100.00

The main investments are concentrated in the first and second year of implementation (1.3 million US\$ and 2.5 million US\$ will be invested in those two years respectively).

	IMPLEMENTATION PERIOD					Year 6	Year 7	Year 8	Year 9	Year 10
	Year 1	Year 2	Year 3	Year 4	Year 5					
Total Financing Required										
Total project costs	1,347,603	2,484,100	842,007	326,880	434,880	0	0	0	0	0
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	1,347,603	2,484,100	842,007	326,880	434,880	0	0	0	0	0
Financing										
Central Gov	1290103	2,397,944	780,906	306,720	354,000	0	0	0	0	0
Municipalities	57,500	6,720	13,440	20,160	80,880	0	0	0	0	0
Privates	0	79,435	47,661	0	0	0	0	0	0	0
Total Project Financing	1,347,603	2,484,100	842,007	326,880	434,880	0	0	0	0	0

	OPERATIONAL PERIOD					Year 6	Year 7	Year 8	Year 9	Year 10
	Year 1	Year 2	Year 3	Year 4	Year 5					
Total Financing Required										
Total project costs	0	0	3,900	20,200	26,500	58,380	58,380	166,380	58,380	58,380
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	0	0	3,900	20,200	26,500	58,380	58,380	166,380	58,380	58,380
Financing										
Central Gov	0	0	3,900	17,200	22,500	26,500	26,500	80,500	26,500	26,500
Municipalities	0	0	0	0	0	26,880	26,880	80,880	26,880	26,880
Privates	0	0	0	3,000	4,000	5,000	5,000	5,000	5,000	5,000
Total Project Financing	0	0	3,900	20,200	26,500	58,380	58,380	166,380	58,380	58,380

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 up-rooted, 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, Salt has to face a number of key issues affecting its social and economic development. These key issues include the fragmentation of socio-urban fabric, the exclusion of the city from the economic benefits of tourism, the lack of socialization spaces and the decay and crisis of public spaces. In fact, after the demographic transformation and the institutional reorganization, Salt 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 Salt 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 Salt 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 and the reconstruction of the public 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 Salt old city, 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 Salt 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.

The average temperature ranges from 2° C in January up to 17° C in August. This indicates that the **weather is moderate** and form a good environment for residents, flora and fauna at the project area. The area has a moderately wet weather, with average rainfall higher than the national average

Old Salt is developed around the spring in the Akrad valley, on three hills: Al Qala, where there are still the remains of the mediaeval castle, Al Jada'a and As Salalam, and it is separated by the flood plains of Wadi Akrad and wadi Es Salt. The dense urban form of the city centre, with the enclosure of hills surrounding it, the close knit pedestrian scale of the city, and the sitting of the yellow stone buildings on such steep slopes is unique, synchronizing the townscape, people's life and the traditional culture of the city; forming an "**Eco-Museum**".

Salt is served by the **water** supply network for the domestic uses from 39 groundwater wells and five potential springs with total delivery of 3050 m³ / hr . The deficit in water delivery reaches around 800 m³ / hr which make the Governorate in big need for more quantities of fresh water. The city is served by the wastewater collection system and treatment plant located at the beginning of wadi Shuaeb in the way down to Jordan Valley. The total number of connections is 3211 serving 98% of the citizens. The total collected wastewater from the city to the treatment plant is around 4000 m³ /day. The reclaimed water is used in the downstream for restricted irrigation practices.

Due to the sensitive location of the Governorate in terms of natural resources connecting region between the uplands and Jordan Valley, the area was populated since thousands of years, which make it an attractive place for internal and external tourism. During summer the uplands has a moderate weather, and during winter the valley enjoys such moderate weather too. Where during the spring and autumn the highlands are the attractive areas for visitors and residents.

In terms of **archaeology**, al Salt City is considered as one of the natural museums in the whole region and not in Jordan only. It still maintain a total number of 657 old and heritage houses from the Ummauia period. In addition there are around 15 other archaeological sites all over the Governorate, like Al Salt Castle, Rmamein, Safot, Jalad, Tal Deir Alla, Zara and Wadi El Kharar, Tal marlias and Rama.

After examination of the current conditions of the target 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 Salt 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

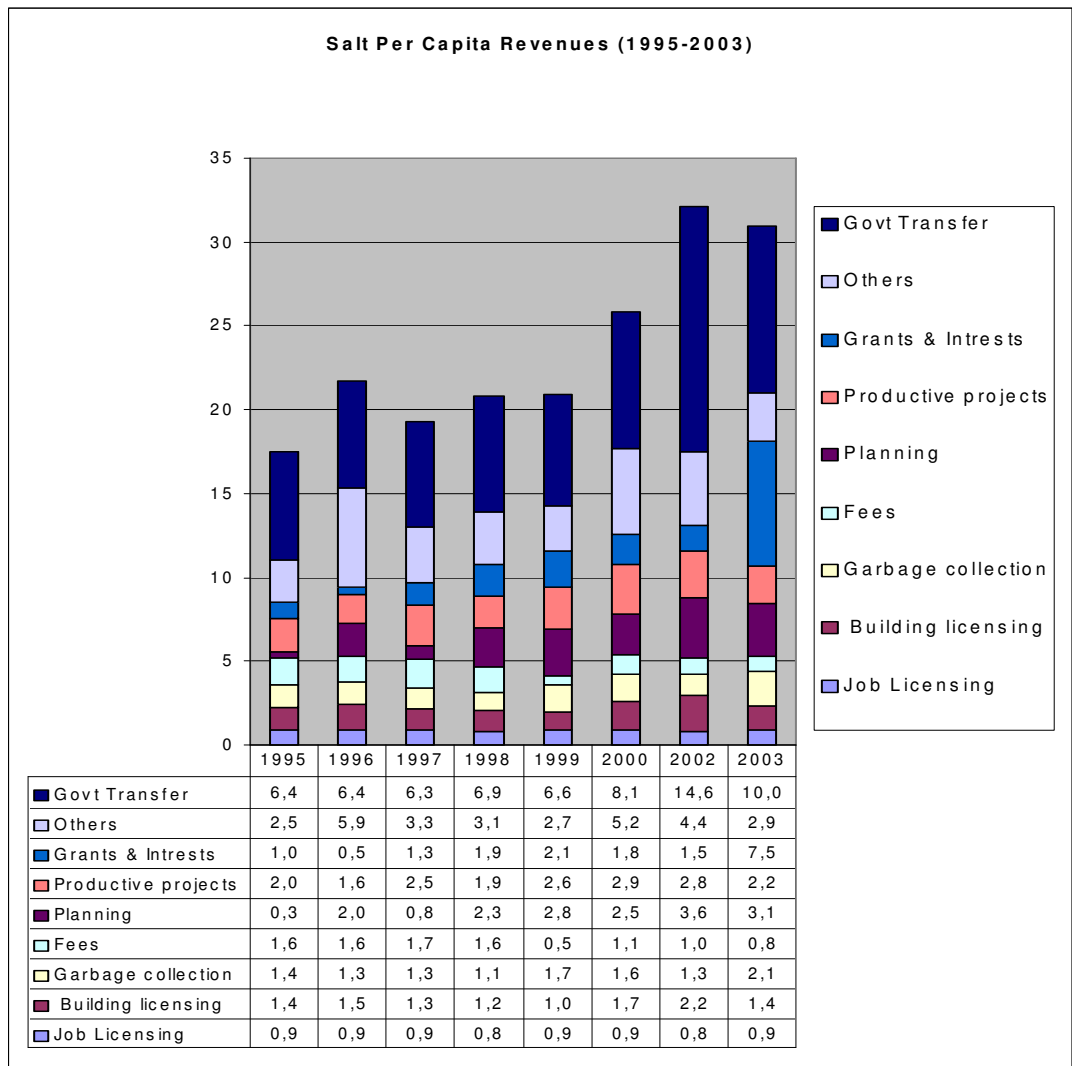
The decline of the historical centre, the degradation of its urban and residential fabric and the crisis of its functions of centrality are strongly related to the general weakness of the municipal institution.

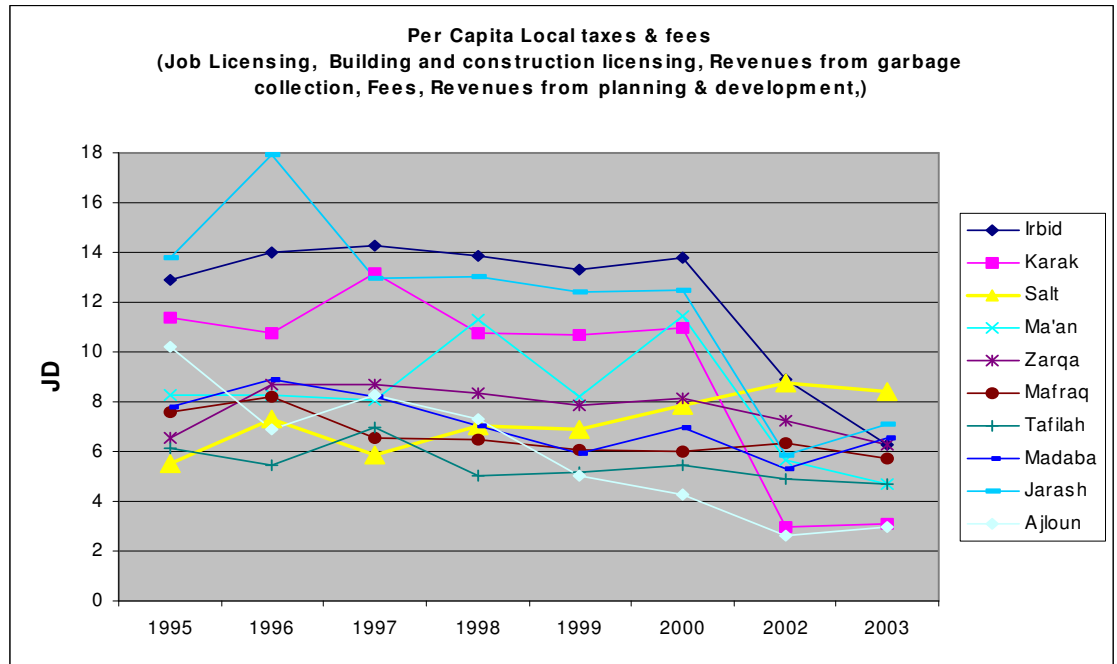
Conversely, the success and the sustainability of the program of revitalization and development of the historical centre are strongly conditioned by the commitment and the capacity of the municipality, and by the improvement of its capacity to mobilize the local resources and to play its role effectively, 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.

Salt seems to be an exception in the framework of the ten governorate cities, for the general positive trend rather than for the overall amount of its revenues, and namely the self revenues in 2002 and 2003, after the merger, while the other municipalities show a significant decrease of incomes..

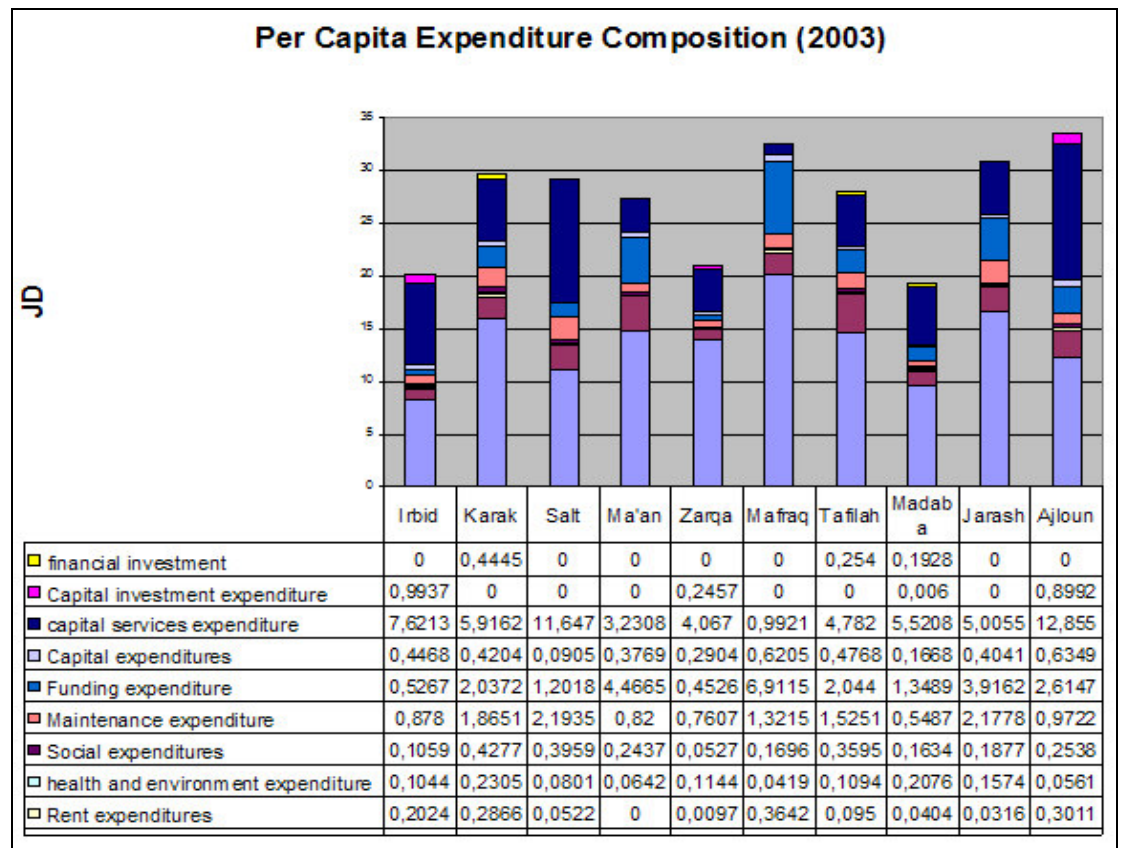
Doubtlessly, the merger in Salt had the effect of increasing governmental transfers: the fuel tax increase from 4 JD per capita in 2000 up to 10 JD per capita in 2002,

Moreover, despite the merger and in opposing trend with other cities, Salt succeeded to slightly increasing the self revenues, and have a significant increase of the building licensing revenues.





As long as expenditures are concerned, Salt is characterized for a cost of labor lower than the other cities (11 JD per capita, 39% of the total amount of expenditures). Consequently, a greater share of the expenditure is committed Capital services expenditure. Moreover, the amount of expenditure for maintenance, while greater than the average, is still very low.



The institutional assessment has shown that the following recurring key issues affect the capacity of the Salt Municipality, although **to a lesser degree than the other** cities, 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.
- 8) **Absence of mechanisms of accountability and of forms of participation** of the local population and stakeholders. The population currently has little information on the municipal actions and decisions and tends to perceive the municipality as a simple administration on which the citizens have little influence. This lack of participation and involvement of the population weakens in multiple ways the capacity of the municipality to co-produce with the users services of quality, to make them accept its decisions and its orientations, to make them respect the regulations and the standards of use of public services and spaces, and to obtain the approval and the collaboration of the local citizens in

collecting municipal taxes. It also weakens the capacity of the municipality to continue to be the framework where the interests of and the rapports between the various social groups are negotiated and, consequently, to play its part in the construction and the reinforcement of social cohesion.

6.4. ECONOMIC ANALYSIS

The economic analysis of CRP proposal for Salt 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 5,435,470 US\$ and the operating costs for the first 10 years to 342,500 US\$.

A) WORKS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
ROAD CONSTRUCTION	15,018	135,159				150,176
UTILITIES UPGRADING	28,370	255,328				283,697
Traffic management plan	4,234	38,109				42,343
Hard landscape		15,243	137,191			152,434
Parking lots		960	8,638			9,598
Special structures and furniture		21,171	190,543			211,715
New building construction		59,280				59,280
Internal furnishing			35,568			35,568
TOTAL COST OF THE WORKS	47,622	525,250	371,940			944,811
B) ADDITIONAL PROVISIONS						
b1) TECHNICAL EXPENSES						
Detailed design consultancy (8% of A)	3,810	42,020	29,755			75,585
Construction supervision and management (8% of A)	3,810	40,242	28,688			72,739
Construction site security (3% of new building construction)		1,778	1,067			2,845
Topographical & archaeological surveys/specialistic investigations (5% of A)	2,381	25,077	17,886			45,344
b2) CONTINGENCIES (15% of A)	7,143	78,787	55,791			141,722
TOTAL COST OF THE ADDITIONAL PROVISION	17,144	187,904	133,187			338,235
C) RELOCATION OF THE EXISTING MUNICIPAL BUILDINGS						
C1) Demolition	268,172					268,172
C2) Land acquisition	529,286					529,286
C3) New building construction		1,397,316				1,397,316
TOTAL COST OF THE RELOCATION	797,458	1,397,316				2,194,774
D) SALT HERITAGE FUND	300,000	300,000	300,000	300,000	300,000	1,500,000
E) 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)	1,347,603	2,484,100	842,007	326,880	434,880	5,435,470

TABLE 3 - SALT CRP - INVESTMENT COSTS (IN US\$)

As shown by the table above, the investment costs of the Program amount to a total of 5.435 million US\$.

OPERATING COSTS										
Action	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
S.01			3,900	5,200	6,500	6,500	6,500	6,500	6,500	6,500
S.02				15,000	20,000	25,000	25,000	25,000	25,000	25,000
Capacity building						26,880	26,880	26,880	26,880	26,880
Total			3,900	20,200	26,500	58,380	58,380	58,380	58,380	58,380

TABLE 4 - SALT CRP - OPERATING COSTS (IN US\$)

Generally speaking, 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 Salt CRP can be quantified mainly in terms of:

- time saved instead of looking for a parking lot, thanks to the provision of about 45 new car-parking stalls located within the new "central square";
- 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 Salt.

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

The additional expenditure has been considered as equal to the current tourists' average daily expenditure multiplied by a foreseeable number of tourists attracted to Salt city as a consequence of the CRP implementation. Such estimation is based on the assumption that the newly attracted tourists will be around 20,000 per year.

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 Salt CRP will amount to more than 1.267 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 Salt CRP: a positive ENPV is found, evaluated at a discount rate of 12%, of 3,998 thousand US\$ and a EIRR of 23.3%.

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	1,251	2,305	781	303	404	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Running costs	0	0	4	20	27	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
Indirect economic benefits	0	0	528	851	1,175	1,498	1,924	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128
Residual value																				2,522
Net benefits	(1,251)	(2,305)	(257)	528	745	1,440	1,865	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	4,592
Accrued net benefits	(1,251)	(3,556)	(3,813)	(3,285)	(2,541)	(1,101)	764	2,834	4,904	6,974	9,044	11,114	13,184	15,254	17,324	19,394	21,463	23,533	25,603	30,195

ECONOMIC IRR	23.3%
ECONOMIC PNV (,000 US\$)	3,998
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	22.9%	20.0%	16.4%
VAN	3,782	2,548	1,455

6.5. FINANCIAL ANALYSIS

The total investment will amount to 5.5 million US\$, with the main investments being concentrated in the first and second year of implementation (1.3 million US\$ and 2.5 million US\$ will be invested in those two years respectively). As for the single actions, action S.02 – The new “central square” is the most expensive; indeed it amounts to 2.8 million US\$.

The foreseen PPP action will consist in the realisation of a new commercial area managed by private investors. The total investment costs for the realisation amount to 127,096 US\$, representing the 2% of the total Salt 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 16 thousand US\$ and a consequent FIRR of 11.7%. Thus, the project seems to offer a sound rate of profitability even taking into account all investment costs including the ones for the new central square public component (2.7 million US\$).

The implementation of the Salt 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 analysed 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, that will directly benefit from the interventions foreseen by the physical action n.01 “Upgrading of the city core street network”.

Over the 5-year implementation period, the Government will have to provide about US\$ 708 thousand in counterpart funds under the Project, with a maximum of US\$ 529 thousand in FY01. This level of investment is less than 0.035 percent of the 2003 country's total gross domestic investment (about US\$2.2 billion) thus, it should not cause any fiscal constraint. WB will finance 85% of the project, the Central Government 10% and the Municipality 3%. Private investors will provide the remaining funds, representing 2% of the total.

The new infrastructures created or rehabilitated by the Project will produce a slight increase in recurrent expenditures, estimated at about 58 thousand US\$ per year.

SALT 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	1.320.723	2.457.220	815.127	300.000	408.000	0	0	0	0	0
Recurrent costs	26.880	26.880	26.880	26.880	26.880					
Total project costs	1.347.603	2.484.100	842.007	326.880	434.880	0	0	0	0	0
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	1.347.603	2.484.100	842.007	326.880	434.880	0	0	0	0	0
Financing										
Government:										
Central	1.290.103	2.397.944	780.906	306.720	354.000	0	0	0	0	0
Municipalities	57.500	6.720	13.440	20.160	80.880	0	0	0	0	0
Privates	0	79.435	47.661	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total Project Financing	1.347.603	2.484.100	842.007	326.880	434.880	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	3.900	20.200	26.500	58.380	58.380	58.380	58.380	58.380
Total project costs	0	0	3.900	20.200	26.500	58.380	58.380	166.380	58.380	58.380
Interest during construction	0	0	0	0	0	0	0	0	0	0
Total Financing	0	0	3.900	20.200	26.500	58.380	58.380	166.380	58.380	58.380
Financing										
Government:										
Central	0	0	3.900	20.200	26.500	26.500	26.500	80.500	26.500	26.500
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	3.900	20.200	26.500	58.380	58.380	166.380	58.380	58.380

7. Risk analysis and proposed mitigation measures

RISKS

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.

MUNICIPAL CAPACITY AND OWNERSHIP

The institutional assessment has pointed out significant areas of weakness of GSM, especially in the urban planning and management.

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.

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.

MITIGATION

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.

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 Salt 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 GSM, including supplementary staff, training, equipment and management tools dedicated to the historic core.

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.

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 5 - 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 Salt 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 Salt, 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 Salt 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 SALT

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 SALT MUNICIPALITY

GSM 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 GSM 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 of the new central square. After the handover of the works, managed by MOTA, GSM will take in charge management and enforcement of parking meters, exploiting the economic benefits.

The role of GSM 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, GSM 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, GSM 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
A. REGULATORY ACTIONS														
1	Salt historic core regulation	MOMA	Approved Salt Historic Core Regulation	6 months	■	■								
2	Enforcement of the new HCR	GSM	After capacity building	To the end of the program			■	■	■	■	■	■	■	■
3	Pilot parking meters plan	GSM	During action [S.02] ~ 44 parking stalls.	3 months					■					
4	Enforcement of parking meters	GSM		To the end of the program						■	■	■	■	■
5	Salt Heritage Fund	GSM	Setting up the organisation and procedures required for the management of the fund	6 months			■	■						
6	Implementation and management of the fund	GSM	~ 10 heritage buildings restored ~ 1.7 MUS\$ of investments activated	To the end of the program			■	■	■	■	■	■	■	■
7	Traffic management program	MOTA	To be developed within the capacity building/technical assistance component.	12 months			■	■	■	■				
8	Enforcement of the traffic management program	GSM		To the end of the program					■	■	■	■	■	■
B. PHYSICAL ACTIONS														
9	Establishment of coordination arrangements amongst GSM and utilities providers.	Governorate			■									
10	[S.01] Upgrading of the street network and of the public space	MOTA	Design stage: (a) preparation of TORs; (b) award of engineering activities; (c) management of design stage; (d) final approval.	7 months		■	■	■						
11	Works stage; (a) tendering procedure; (b) award of construction contract; (c) execution of works.	MOTA	~ 6,650 sqm rehabilitated public space	7 months			■	■	■					
12	Management stage: ensure proper maintenance and management of renovated public spaces.	GSM		To the end of the program					■	■	■	■	■	■
13	[S.02] The new "central square"	GSM + Private partner(s)	Finalisation of the agreement with the private sector for the realisation of commercial facilities	3 months					■					
14	Relocation of the existing three governmental buildings to be demolished	GSM		24 months	■	■	■	■	■	■	■	■	■	■
15	Design stage: (a) preparation of TORs; (b) award of engineering activities; (c) management of design stage; (d) final approval.	MOTA		8 months					■	■	■			
16	Works stage; (a) tendering procedure; (b) award of construction contract; (c) execution of works.	MOTA	~ 4,000 sqm rehabilitated public space ~ x,xxx sqm commercial spaces	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			
17	Management of commercial facilities	Private partner(s)		To the end of the program													■	■	■	■	■	■	
18	Management stage: ensure proper maintenance and management of renovated public spaces.	GSM		To the end of the program														■	■	■	■	■	■
C. CAPACITY BUILDING PROGRAM																							
19	Establishment of the cross-departmental municipal unit and mobilisation of the concerned municipal services.	GSM		3 months	■																		
20	Establishment of the local committee of consultation and follow-up of revitalisation with local stakeholders.	GSM		3 months	■																		
21	Recruitment of personnel		For the creation of a "technical support unit"	GSM	Recruitment of 6 persons	3 months	■																
22			For the reinforcement of capacities of the municipality in urban planning and management	GSM	Recruitment of 2 persons	3 months	■																
23	Training		Historic Core Regulations, conservation and restoration of historic buildings.	MOTA	Delivery of 15 training days Training delivered to the four municipalities jointly.		■	■	■														
24			Use of GIS and other tools for urban planning and management.	MOTA	Delivery of 15 training days			■	■	■													
25			Maintenance and management of urban services and spaces.	MOTA	Delivery of 15 training days			■	■	■													
26	"Adressage"		Phase I – Establishment of (a) coordination arrangements between TSU and urban planning dept.; and (b) work methodology.	GSM		3 months		■															
27			Phase II : surveys, codification, cartography, construction of a data-base.	GSM		12 – 15 months			■	■	■	■	■										
28			Phase III: installation of signs with names of streets and buildings.	GSM		3 months						■	■										
29	Technical Assistance		Delivery of TA to support Salt Municipality.	MOTA	TA delivered to the four municipalities jointly.		■	■	■	■													
30	Equipment		Delivery of hw & sw equipment for the Salt 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, minimize 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 lshraf*). Moreover, this section clearly spells out the needs and responsibilities in terms of acquisitions.
- 3) **Duration, cancellation, revision of the Pact.** This sections states some procedural details.
- 4) **Summary of commitments.** This sections 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 Salt 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 Salt 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 Salt CRP includes two project actions, that are essential for the success of the program, that are intended for the participation of the private sector.

- 1) **The Heritage Fund** for the Protection of Salt Urban and Architectural Sites (“Heritage Fund”). By means of this fund, the project will support the private owners of buildings, qualified as “heritage buildings” by the Salt Historic Core Regulation, for the execution of restoration and rehabilitation activities.
- 2) **The new central square**, where the role of the private partner will be to co-finance the development and to manage the newly created commercial spaces.

These actions are described in detail in Annex 1, and the business plan for the new central square action 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 action for the upgrading of the street network and most of all after the demolition of the three public buildings to be relocated. It is assumed that, provided the visibility of these actions, after this stage the environment will be more receptive to market the PPP action to the private sector in Salt.

The only suggestion emerged during the local consultations with the operators in Salt, that is worth mentioning, is the **expansion of the Salt Handicraft Center**. The idea is to turn the existing school into a specialized center for the development of skills in the field of the conservation of cultural assets. This could close an existing gap in Jordan, and be specifically targeted to the other cities included in the TTDP. This hint could be a matter for future development.

The scarceness of other meaningful suggestions confirms the uneasiness of the private sector in Salt concerning the establishment of partnerships with the public.