



Mainstreaming Local Economic Development into Jordan National Urban Policy Thematic Guide

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LIST OF ACRONYMS

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ASEZA	Aqaba Special Economic Zone Authority
CBJ	Capacity Development
CC	Climate Change
CITIES	Cities Implementing Transparent Innovative and effective Solutions
CVDB	Cities & Villages Development Bank
DLS	Department of Land and Survey
DOS	Department of Statistics
EDP	Executive Development Plan
GAM	Greater Amman Municipality
GDP	Governorate Development Program
GDP	Gross Domestic Product
GIS	Geographic Information System
GoJ	Government of Jordan
GP-URL	Guiding Principles for Urban-Rural Linkages
HKJ	Hashemite Kingdom of Jordan
JEA	Jordan Engineers Association JEA
JEGP	Jordan Economic Growth Plan
JIC	Jordan Investment Commission
JNUP	Jordan National Urban Plan
JRP	Jordan Renaissance Plan
JVA	Jordan Valley Authority
KACE	King Abdullah II Center for Excellence
KPIs	key performance indicators
LED	local economic development
MOA	Ministry of Agriculture
MODEE	Ministry of Digital Economy and Entrepreneurship
MoE	Ministry of Education
MoF	Ministry of Finance
MOHE	Ministry of Higher Education
MOI	Ministry of Interior
MoLA	Ministry of Local Administration
MoPA	Ministry of Political and Parliamentary Affairs
MoPIC	Ministry of Planning and International Cooperation
MOSD	Ministry of Social Development
MOT	Ministry of Transport
NUA	New Urban Agenda
NUP	National Urban Policies
OECD	Organization for Economic Cooperation and Development
PDTRA	Petra Development and Tourism Regional Authority
RLDP	Regional and Local Development Project
SDGs	Sustainable Development Goals
SMEs	Small-Medium Enterprises
SPC	Supreme Planning Council
ToRs	Terms of reference
UAE	United Arab Emirates
UN-Habitat	United Nations Human Settlements Programme
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

The National Government must offer leadership and support to enable the local Governments* to integrate Local Economic Development (LED), which may be done through the National Urban Policy. A National Urban Policy is defined as: “A coherent set of decisions derived through a deliberate Government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development on the long term” (UN-Habitat, 2014).

Therefore, the NUP should address urban issues, contribute to sustainable urban development, and, moreover, contribute to sustainable Local Economic Development (LED). This guide will provide how Local Economic Development (LED), hereafter referred to as LED, should be mainstreamed into urban policy. Specifically, it supports the efforts to formulate, implement, refine, and sustain the approach to sustainable LED in Jordan. In summary, this guide describes the important steps to mainstream LED into the development of a National Urban Policy (NUP) – hereafter referred to as NUP.

This guide has been developed after conducting a review on how existing NUP as well as other policies and frameworks that guide urban development have addressed urban economy and LED. The Guiding Principles for Urban-Rural Linkages (GP-URL), Mainstreaming Climate Change into National Urban Policies as well as the National Urban Policy and Housing for All, were among the documents that have been reviewed for guidance to structure this guide. The guide presents 10 recommendations that may be incorporated into developing or reviewing national or subnational urban policies. The recommendations are not prescriptive, but, rather, provide options on how and what LED dimensions may be included in urban policies - depending on the context, analysis, stakeholder engagement, and other relative factors. Some guidance is also provided on how and at what stage LED can be best incorporated into policy, in relation to the pillars and phases of implementing the NUP.

The proposed recommendations to mainstream LED into the JNUP are as follows:



Recommendation 1: Reconsider the Decentralization and Municipalities Law in a way that ensures coordination among various councils, including local governorates as well as Executive and Municipal Councils.



Recommendation 2: Have an umbrella body (or platform) for urban planning development in Jordan, like the Amman Institute for Urban Development.



Recommendation 3: Adopt a new methodology for urban development and planning.



Recommendation 4: Build the capacity of involved partners in Spatial Planning and Economic Development Planning to collect and analyze data related to the urban economy needs and requirements.



Recommendation 5: Develop a database for urban development planning that includes all economic and social indicators, infrastructure, and human resources at all levels.



Recommendation 6: Invest in projects and initiatives that support spatial development and planning towards future growth of cities and related sectors, at large, in an integrated manner, heeding value-added chains of sectors.

* Local Governments are defined as: Governorates, Districts and Sub-Districts Levels. Governorates and Municipal Councils are main administrative units in this structure.



Recommendation 7: Provide a system of incentives to improve performance for LED within urban planning.



Recommendation 8: Build the capacity of municipal staff, including financial skills.



Recommendation 9: Reconsider the concept and methodology of crisis management and community security.



Recommendation 10: Review the legislations and regulations that govern the mechanisms of working with donors.

Who is this guide for?

This guide is designed to support the UN-Habitat in the development of the JNUP, explicitly addressing LED issues. It may also be useful for technical advisers, donors, and key stakeholders supporting the development of the JNUP. This guide is intended to be an enabling rather than a prescriptive tool. It focuses on the process of mainstreaming LED into the JNUP.





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BACKGROUND

2. BACKGROUND

At a time of increasing globalization, the importance of strategic development of cities and human settlements to ensure a nation's economic future cannot be overstated. Sufficient attention should therefore be given to national development plans, particularly national urban policies, which provide the framework to maximize the benefits of urbanization while mitigating its risks.

A National Urban Policy is defined as: "A coherent set of decisions derived through a deliberate Government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term" (UN-Habitat, 2014).

Why is NUP important?

To promote an urban paradigm shift, harness urbanization and mitigate its negative externalities, a coordinated approach and clear policy direction is needed. This is what NUP basically provides, a clear guiding framework for urban development. Being comprehensive, the NUP aims to:

- Connect national, regional, local Governments, and policies
- Link sectoral policies
- Strengthen urban – rural linkages through a balanced territorial development
- Identify urban development priorities towards socially and economically equitable and environmentally friendly urban and national development
- Guide the national urban system's future development and spatial configuration
- Provide a better coordination and guidance of actions for all levels of the Government
- Increase the coordinated private and public investments in urban development

According to the National Urban Policy: A Guiding Framework, developed by the UN Habitat, the 5 NUP Phases are: Feasibility, Diagnosis, Formulation, Implementation, and Monitoring & Evaluation (M&E) while the 3 NUP Pillars are: Participation, Capacity Development, and Acupuncture Projects, which enable the NUP to best respond to the challenges and opportunities presented by urbanization, as shown in Figure 1 below.

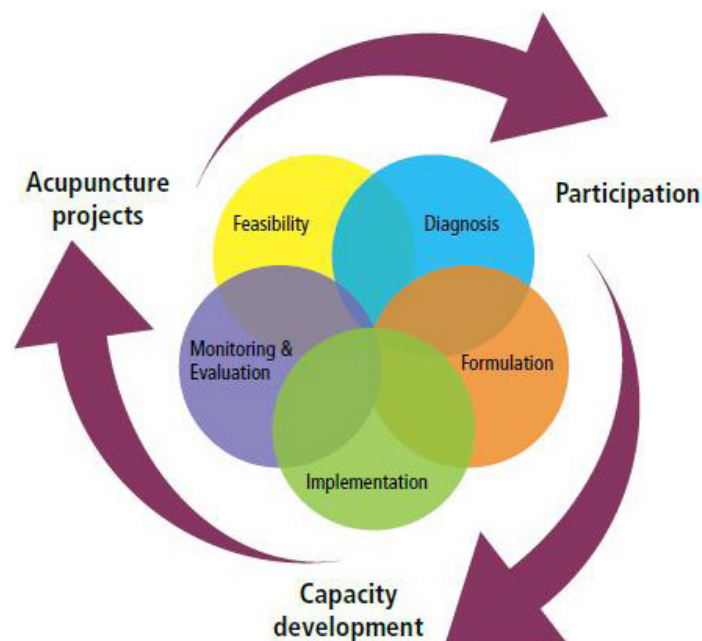


Figure 1: NUP Process

While the NUP stresses the importance of tailoring the process according to context, since developing the NUP is highly unique and context-specific, there are three main thematic areas that should be addressed in any NUP: (1) Urban Legislation; (2) Urban Economy; and (3) Urban Planning and Design (UN-Habitat, 2016).

As per the National Urban Policy Guiding Framework, the Diagnosis Report for Jordan was developed around the three key thematic areas. Moreover, the JNUP Diagnosis Phase added a fourth thematic area dedicated to addressing resilience in the NUP in response to the global COVID-19 pandemic (UN-Habitat, 2020a).

In today's global economy, cities are often found to be the drivers of a country's gross domestic product (GDP) and economic growth. It is important, therefore, that local urban economic opportunities are able to keep pace with rapid urbanization and the resulting influx of people into cities.

The lack of healthy LED and employment opportunities can lead to urban poverty and under-employment of groups such as youth and women. Moreover, cities must have secure municipal income and developed municipal finance instruments that will enable the collection and enforcement of taxes and investment in the infrastructure.

Jordan's urban economic sector currently faces several challenges. For example, the majority of Jordan's economic activity is concentrated in Amman, resulting in urbanization without economic growth in other areas as well as high unemployment rates and limited job opportunities leading to increased poverty rates. Moreover, Jordan municipalities have suffered from structural financial issues since the 1990's. Most of them are underfunded and chronically indebted, as their revenue collection does not cover the necessary expenses for service delivery. Another challenge is the influx of refugees that increased the pressure on municipal services and increased the demand on public services (UN-Habitat, 2020b).

In this challenging environment, the current urban planning and management practices are inadequate to curb Jordan's urban growth. In line with Jordan's priorities 2019-2022 in managing the country's urban growth and its Vision 2025, the UN-Habitat Regional Office for Arab States, in collaboration with the Regional and Metropolitan Planning Unit at the Urban Planning and Design Branch of UN-Habitat, aims to support the GoJ to initiate the development of a sustainable, inclusive, and evidence-based National Urban Policy for the country.



Therefore, there is an urgent need to address LED needs and to formulate a guideline on how to mainstream LED in national urban policies. This thematic guide has been developed to provide guidance on how to mainstream LED into the JNUP. This should include, but not be limited to, local economic growth, investment opportunities, Small-Medium Enterprises (SMEs), strengthening municipalities in the post COVID-19, Public Private Partnerships (PPP), land value capturing mechanisms, municipal financial reform, urban-rural linkages, and etc.

This guide is divided into six main sections as follows:

- 1- Introduction
- 2- **Why** must LED be mainstreamed into JNUP?
- 3- **What** are the proposed recommendations to mainstream LED into JNUP's phases and pillars?
- 4- Recommendations on **how** to mainstream LED into NUP.
- 5- **Where** are the areas meriting specific interventions?
- 6- **Who** are the most disadvantaged groups and target population?

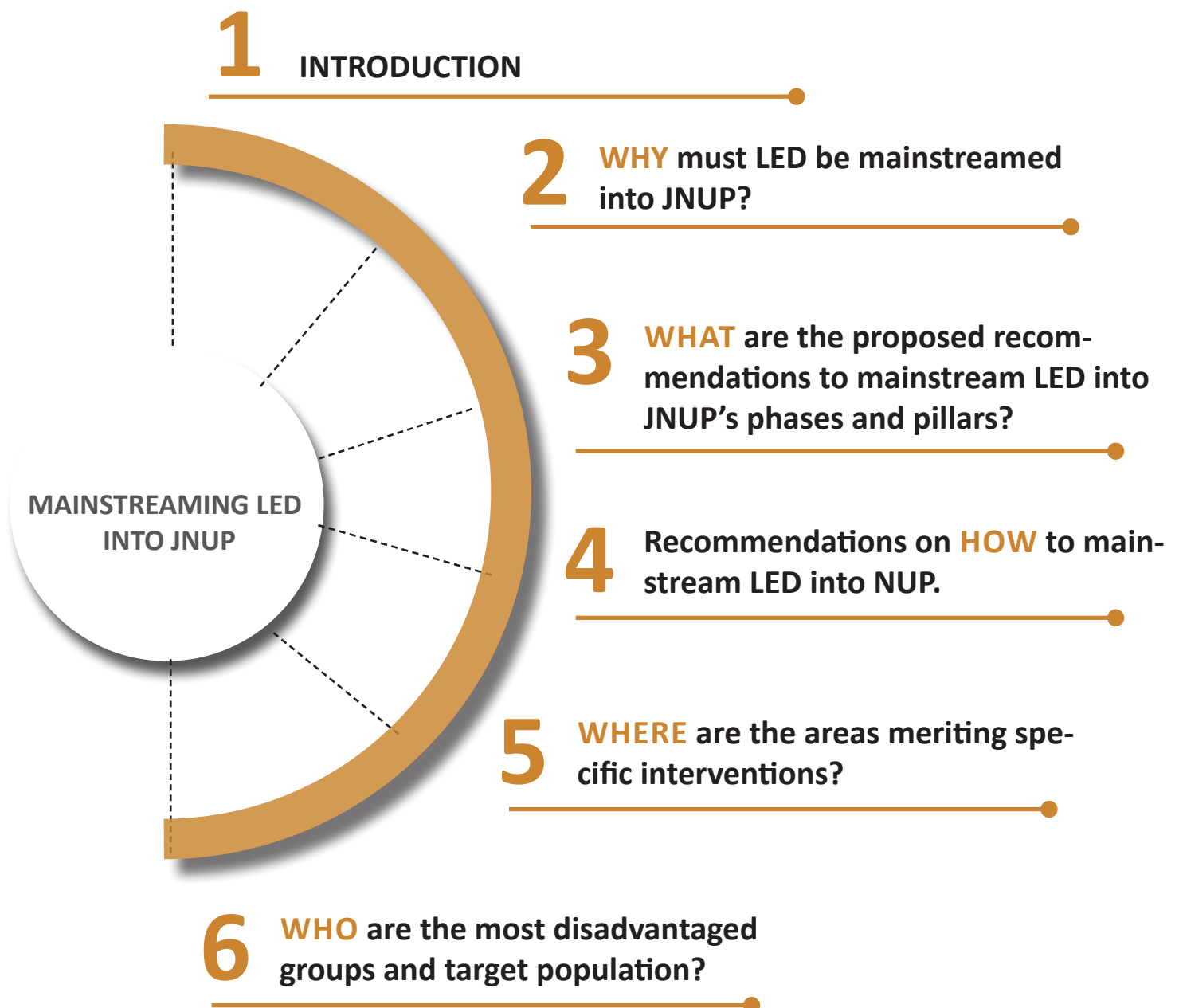


Figure 2: Main Sections of Mainstreaming LED into JNUP Thematic Guide

3 METHODOLOGY

3. METHODOLOGY

The consultant reviewed and analyzed the JNUP Diagnosis Report, the Stakeholders Mapping Report, and Final Capacity Assessment Report, with a special focus on LED aspects. Furthermore, an analysis of key gaps on LED and municipal financing was conducted and, accordingly, a set of recommendations to mainstream LED into the JNUP was developed.

Data was collected mainly through desk research, which included all available published data and information regarding current, ongoing, and future projects as well as through in-depth interviews with relevant stakeholders from governmental and non-governmental entities. Online surveys were given to with key stakeholders such as CVDB, MOPIC, MOLA, CITIES, JIC, and municipalities to assess and map LED and municipal financing gaps, needs, and opportunities.



4 WHY LED MUST BE MAIN- STREAMED INTO THE JNUP

4. WHY LED MUST BE MAINSTREAMED INTO THE JNUP?

Through the Municipalities Law (2015) and the Decentralization Law (2015), the Jordanian Government attempted to regulate the decision-making process as well as developmental and spatial planning, and identify investment needs as part of the powers of the provincial and Executive Councils tasked to approve strategies, implementation plans, and budgets as allocated by the Ministry of Finance (GoJ, 2015; Newspaper, 2019). This would enable Local and Executive Councils to prepare an economic development plan and define future strategic directions based on clear visions with a deeper analysis of the current economic situation, through partnerships with relevant stakeholders and partners, considering the competitive advantages of each area, rather than making plans based on unrealistic ambitions.

Mainstreaming LED into the JNUP processes will increase the economic capabilities of Jordan, link the economic development performance in the governorates with their competitive advantages, and support the growth of economic sectors in an integrated manner based on value-added chains. It will also enhance urban-rural linkages through the integration of production and the flow of raw materials and intermediate goods between the areas as well as the support of marketing for community production through mega markets, especially in the field of Small and Medium Enterprises (SMEs). It will also work to enhance the capacities of municipalities in terms of human, financial, and technical resources.

After conducting an extensive review in the Jordan National Urban Policy Diagnostic Report of LED related laws, regulations, and legislations, as well as institutional performance, NUP Diagnoses Report, and NUP Challenges and Opportunities, and other tools, it was evident that there are several challenges facing local and municipal economic development.

This section highlights the rationale behind the importance of mainstreaming LED into the JNUP. It includes a contextual analysis that highlights the major gaps in LED and municipal finance in relation to existing policies, strategies, plans, and legislative documents on LED and municipal finance in Jordan.



Existing LED Projects, Strategies, Plans and Legislative Documents

This section intends to highlight the existing LED projects, strategies, plans, and legislative documents to capitalize on existing work for the enhancement of the urban agenda. There are currently numerous LED projects and undergoing initiatives, which are considered an opportunity to build on and promote linkages among economic and development planning as well as urban and spatial planning. The main initiatives, projects, and policies can be summarized as follows:

- Ministry of Local Administration (MoLA) Draft Law 2020 and its Amendment: The Technical Ministerial Team is currently developing this Law with the aim of unifying elected councils under the umbrella of the Ministry of Local Administration (MoLA). Furthermore, some amendments are done to bridge the gaps between the Decentralization Law and Municipalities Law of the year 2015.
- The outcomes of the supportive program to the decentralization and local governance, United States Agency for International Development - Jordan Cities Implementing Transparent, Innovative, and effective Solutions (USAID-CITIES), funded by the USAID, are pivotal efforts in supporting spatial and urban development planning. The outcomes of the project include the following*:

* Meeting with Chief of party, Cities, Mr. Mohammad Amosh, Zoom meeting, December 2020



A. Services Enhancement Component, including the following projects:

- Economic Development Plans for about 73 municipalities.
- Economic Development Plans for 12 Governorates in cooperation with the Ministry of Local Administration (MoLA) and Ministry of Interior (MoI).
- Street naming and numbering maps for 100 municipalities. 7 municipalities have been numbered so far.
- Regional Development Plan for the sub-districts of Al-Dhulail and Al-Khalidiyah.
- Economic Development Plan for the Northern Ghor District.



B. Municipal Institutional Performance Development Component, including the following projects:

- Developing the financial management in municipalities by analyzing the status quo of each municipality, give recommendations, and develop financial management of municipalities through advanced systems.
- Human Resources Development Project on the municipal level for all municipalities.
- Awards of Excellence for municipalities' projects in cooperation with King Abdullah II Center for Excellence (KACE). This will be launched in the Third Quarter of 2021.
- Fixed Assets Database Project for Municipalities in cooperation with the Cities & Villages Development Bank (CVDB).



C. Community Participation and Social Cohesion Component: based on the community participation in preparing municipalities' budgets, plans, and participation in the human resources component.



D. Decentralization Component: the established Decentralization Unit in collaboration with the Ministry of Planning and International Cooperation (MoPIC), Ministry of Political and Parliamentary Affairs (MoPA), Ministry of Local Administration (MoLA), and Ministry of Interior (MoI) worked on the following outcomes:

- The preparation of documents stipulating concepts (Concept Notes).
- Submitting recommendations on the project's vision for amending the current Decentralization Law.



E. Direct Grants Component: by providing municipalities with in-kind contributions and supporting some of their respective priorities that had been pre-identified in a participatory manner with technical advisors of the project and the municipalities' teams.

- Make use of the Regional and Local Development Project (RLDP), 2007 - 2011, which aimed at supporting the Hashemite Kingdom of Jordan (HKJ) in local development that is parallel to regional development through (mainly) the municipalities and some supportive agencies by (MoLA, 2009): Empowering municipalities to become local administrative units capable of efficiently and effectively providing services based on accountability, transparency, and collaboration.
- Developing the institutional capacity of the Ministry of Local Administration (MoLA) in organizing the work and supervising the municipalities, in addition to developing a Governmental support system that ensures compatibility and justice in distributing financial support among municipalities.
- Restructuring the Cities & Villages Development Bank (CVDB), increasing its efficiency and effectiveness, availing the right factors and terms for its development and success by diversifying its financial products and services it offers to municipalities.
- Promoting and building the institutional capacities of municipalities.
- Developing methods and tools for urban and regional planning. Avail the right tools for collaborative work among municipalities in implementing large projects.

- The World Bank project with the Ministry of Local Administration (MoLA) - Emergence Services and Social Reliance Project, which works on different scopes, as follows*:
 - Allocation of 16 Million US Dollars to around 26 municipalities that host Syrian refugees to establish projects based on the consultations with the local communities.
 - The Innovation Grant Project, with municipalities, whereby \$7 million have been allocated. The project's idea is based on collecting innovative, entrepreneurial, and sustainable project ideas to create 30% of the job opportunities from the local community during the project's implementation. 26 municipalities applied for this grant. 9 municipalities won and were awarded the project.

- The Cities & Villages Development Bank (CVDB) projects, which are considered the base in supporting municipalities' capacities for development and spatial planning. The projects include **:
 - **Municipalities Financial Observatory Project:** aims to build a database of the municipal's fixed assets and automate / digitize the database; use assets to prepare policies related to municipal credit classifications (credit worthiness); partner with the private sector; increase municipalities income from investments; utilize these assets to work based on the competitive advantages of those municipalities; as well as encourage joint projects among municipalities that will assist in preparing municipalities' budgets through enhancing financial systems' connectivity.
 - **Municipal Monitoring Project:** aims to build a database on the social and economic status quo, the infrastructure, and other indicators that reflect the status of the municipalities and surrounding areas. This will support development and spatial planning as well as will conduct scientific analysis of the data and build predictions and forward-thinking regarding sectors and economic activities in municipalities and affiliated areas.
 - **Preparation of a strategy plan for the Cities & Villages Development Bank (CVDB), 2021 – 2025:** aims to expand consultation services, needed funding, and technical support to municipalities, as well as encourage developing partnerships with the private sector.

- **The Guideline Project “Engaging citizens in defining and assessing needs on local administrative levels - decentralization”.** The project was launched by the Ministry of Planning and International Cooperation (MoPIC) via the “Support Jordan's Efforts in Decentralization” Project, implemented by the Organization for Economic Cooperation and Development (OECD), with the cooperation of Al-Hayat (Life) Center / Rased, and the MOLA and Mol.

- **The Federation of Canadian Municipalities Project,** in cooperation with the Ministry of Local Administration (MoLA) and the Cities & Villages Development Bank (CVDB) covers several components such as: the preparation of local development plans for a group of municipalities, solid waste project, and specialized training center for the municipalities and the CVDB, etc. The total project budget is 20 million Canadian Dollars.

- **Continuation with the initiative by the Government of Dr. Omar Razzaz** regarding a unified frame for centralized planning to organize all national, regional, and sector-based plans under one umbrella / reference, resulting in unified plans for granted implementation, follow-up, and assessments based on setting the key performance indicators (KPIs). These plans include:

* Meeting with Advisor / Coordinator of the Emergence Services and Social Reliance Project at MoLA, Mr. Emad Issa, Zoom meeting, December 2020

** Meeting with the Director of Planning and Development at Cities & Village Development Bank, Dr. Mahmoud, Zoom meeting, December 2020

- The Jordanian National Charter
- We are All Jordan Initiative
- The National Agenda of Jordan 2006 - 2016
- Jordan Vision 2025
- The Jordan Economic Growth Plan (JEGP) 2018 - 2022
- Jordan Renaissance Plan (JRP) 2019-2020
- Executive Development Plan (EDP) 2016–2018
- Governorate Development Program (GDP) 2016 - 2018
- Government Institutional strategies and plans
- Sector-based strategic plans, e.g. National Agricultural Development Strategy 2020 - 2025
- Economic development plans for governorates and municipalities
- Comprehensive area planning



Relevance to SDGs

Economic development planning is a participatory process to revitalize the local economy through an effective partnership between all official bodies, private sector, civil society institutions, and the local community that seeks sustainable development based on the capitalization of local economic resources and the competitiveness of regions. It is also considered one of the most important inputs to spatial planning that provides a model of balanced growth of economic sectors, population, and infrastructure, leading to achieving the 2030 Sustainable Development Goals indicated below:

- **SDG 1:** Eradication of poverty in all its forms everywhere.
- **SDG 2:** Elimination of hunger, providing food security and improved nutrition and promoting sustainable agriculture.
- **SDG 8:** Promotion of sustained, inclusive, and sustainable economic growth, full, and productive employment, providing decent work for all.
- **SDG 9:** Building resilient infrastructure, stimulating inclusive and sustainable industrialization, and encouraging innovation.
- **SDG 11:** Make cities and human settlements inclusive, safe, resilient, and sustainable.

These goals support the strengthening of the interdependence between economic development planning, spatial planning, and urban policies.





LED Identified Challenges:

The identified key existing gaps and issues related to the LED in Jordan are based on comprehensive desk research, literature review, and focus meetings conducted with CVDB, MOPIC, Mola, Cities, JIC, and municipalities' representatives. The challenges and gaps include:



1. Weak financial administration and focused revenues in municipalities that affect the planning of economic and development projects

- Municipalities suffer from insufficient financial income, structural (permanent) deficits, and debt, all of which are exacerbated by weak financial management.
- Municipal revenues are limited to professions licensing and permit fees, as well as impaired collection systems by financial departments. Local economies are limited to small and medium-sized economic activities, most of which are in the informal sector.
- The imposed fees percentages on lands (Al-Musaqqafat Tax) are low and reliant on the type, location, land usage, and classification (whether commercial or residential).
- The municipalities' revenues are also very dependent on the centralized Government budget, which are claimed in the form of 8%* of the fuel returns, hence a public source of revenue.
- Income from investments is either completely absent or negligible since the investment role of municipalities has not yet been properly activated. The Development Units in municipalities are not compiling information about assets, particularly lands owned by municipalities, nor are they expanding investment concepts and feasibility studies per lot to promote land viability to the private sector.
- In regards to expenditures, there is a problem in the municipal capacity to cover sustainable service provision, hence affecting service quality. Salaries and wages constitute between 47% - 60% of the gross revenues.
- Loans from the Cities and Villages Development Bank (CVDB) are not linked to development plans in municipalities nor are the projects based on the competitive advantages and expansions in investments in favor of the municipal assets with the private sector.



2. Weak coordination between the Ministry of Local Administration (MoLA) and Municipalities in identifying the requirements and enacting (enforcing) the stipulations of the Municipality and Decentralization Law of 2015 on expanding developmental and investment roles of municipalities

Even though Municipality Law considers municipalities to be financially and administratively independent entities, the actual practices on the ground denote control and follow-up by the Ministry of Local Administration (MoLA) and the Municipalities. The over-dominance by the Ministry is not leading to building and raising up municipal capabilities nor have they improved municipal performance in terms of enhanced service provision and investment. This is attributed to:

- Poor supervisory and supportive role of MoLA towards local administration and municipalities to shift their roles from mere service providers to investors and innovative developers, against annual targets.
- Absence of a classification criteria to classify municipalities according to their development and investment performance and their credit worthiness (in case they wanted to take loans).
- Lack of guidelines on partnerships with private and civil sectors, including guidelines on drafting agreements.
- Lack of incentives to over-achieving municipalities to become role models, paving the way for duplications and expansions (national rollouts).
- Weak capacities of municipal teams in the areas of economic studies, investment planning, impact studies, and dealing with donors and financiers.

* National Urban Policies Programme in Jordan Diagnosis Report, 2020



3. Lack of integrated planning to achieve LED based on competitive and comparative advantages of areas within Governorates.

There are no synergies nor complementarities among the current plans and programs- such as the existing motivational Jordan Economic Growth Plan 2018 – 2022 and Jordan Vision 2025, which included economic growth goals and credit facilities for each economic sector, followed by the Jordan Renaissance Plan 2019 – 2020, which defined the priorities of the Jordanian Government- in achieving balanced development among and across governorates and their respective areas. This is despite the fact that these plans promote productivity and enacting state laws.

Several requirements included in those plans are neglected and not taken into consideration, specifically requirements that support financial and spatial urban planning, inclusive defining development areas, other free and industrial zones, as well as proportional distribution of investments over the sectors. These requirements will help in regional and integrated development planning, which will assist in developing integrated economics across all the Kingdom's Governorates. Some of the gaps that are obstructing the realization of integrated planning is:

- Lack of statistics and indicators on provincial levels, hence missing governorate-specific calculations of the GDP that guides deliberate interventions. This is additionally useful to connect micro and macro economies, as well as relativity of the evidence-based action.
- Lack of professional focus on a national theme for crisis management and early warning systems that are translated on all local and grassroots levels within a comprehensive sector-based planning, since crisis (manufactured and natural) vary in terms of their impact on sectors and remedial actions. This has socio-economic implications that need to be accounted for and measured.
- Lack of realistic economic and social profiling that is indicator-based on local, governorate, municipality, and city levels.
- Lack of competitiveness mapping reflecting the sectors and sub-sectors at the city level.
- Lack of studies on the informal sector and its distribution among sectors' typologies.
- Inactive role of the Jordan Export Company that had been assigned by the Government in cooperation with the private sector to activate export. It is supposed to design export policies to ensure export readiness of companies, analyze regional and international agreements, and, accordingly, create export calendars.
- Lack of regulated labor market studies on the local (governorate and municipality) level, taking into consideration the nature of the economic activities and available untapped resources.
- Absence of sufficient and adequate economic studies, with particular focus on the minimum wage and impact on job preference.
- Limited skilled Jordanian workers in the economic sectors. This is specifically true for the economically inactive (more than 2 million citizens), who are within the working age range but unemployed for several reasons, indirectly resulting in an elevated unemployment rate. It is also worthwhile to mention that the dependency rate is very high at 5:1 (UN-Habitat, 2020b).

- Absence of a balanced economic planning that leads to the concentrations of economic activities in some areas and disparities in economic indicators that reflect development gaps among Governorates. For example, the disproportionate place of Amman in the economy, whereby Amman hosts 45% of all formal enterprises, Irbid hosts 17%, Zarqa hosts 15%, and Balqa hosts 5%. Most formal companies with a declared capital of more than JD 500,000 are concentrated in Amman at 82%, followed by Zarqa at 6%, Aqaba at 4%, and, finally, Irbid at 3%. Moreover, 403,448 or 64% of private sector employees work in Amman, 12% in Zarqa, 11% in Irbid, 3% in Balqa, and 2% in Aqaba (DoS, 2011). In summary, Amman accounts for approximately 40% of the country's population yet accounts for 80% of its industry, 55% of its total employment, and attracts 80% of the foreign direct investments (UN-Habitat, 2020b).
- Lack of encouragement of investment in renewable energy projects and amended legislation to facilitate this. No promotion of returns nor creation of advantages in investing, especially since the cost of energy is one of the most important obstacles that limit investment in Jordan.



4. Lack of unified planning references that ensure coordination and execution of plans on the national and governorate levels.

Many documents and initiatives are set by consecutive Governments that aim to achieve economic growth and urban development, including the National Convention, We Are All Jordan, National Agenda, Jordan Vision 2025, Economic Incentives Plan 2018-2022, Jordan Renaissance Plan 2019-2010, the Executive Development Program (EDP) 2016-2018*, and the Governorates Development Program 2016 - 2018. However, consecutive Governments takeover and eventually leave their positions void of a unified system that ensures ample coordination among ministries and concerned departments to accomplish the content of those plans. Additionally, here are no computations of the percentages of achievement or impact of those plans on local development, specifically within the three elements of land, citizens, and economy. The absence of such a reference is exasperated by the following:

- Failure to adopt and apply the strategic mapping at the beginning of the planning process that has already been screened and approved by the State on the ministerial level in an adequate manner that is responsive to sector needs and further localized to suit the local governance context.
- Lack of integrated and responsive urban local planning and the absence of a road map on the municipal and governorate levels, with a monitoring role for the latter whose plans are an integration and assimilation of all their respective municipalities, i.e. all municipal plans are sub-sets of the governorate Master Plan (lack of integration to foster complementarity, optimal use of resources, and accountability, notably under the new Decentralization Law).
- Poor coordination and integration in the local and economic development plans for municipalities and governorates.
- Lack of a comprehensive unified plan and coordination among MoLA, Ministry of Planning and International Cooperation (MoPIC), donors and municipalities regarding the type of programs, support, investment, services, development, performance, and etc. that are required or expected of the municipalities, in order to streamline efforts and support them in an integrated manner.
- Lack of mirroring: it is imperative that governorates' development plans act as mirrors that reflect local development plans of their respective municipalities. Being comprehensive, a governorate plan is a set of all its municipalities' plans, fostering competitiveness, added values, joint projects, and other cooperative schemes. These plans would be considered as urban planning tools that serve the optimal use of the available and economic resources.
- The absence of regional development planning in general and between neighboring municipalities. The provision of which would build on competitive advantage.

* Ministry of Planning and International Cooperation (MoPIC)

- Lack of state-level decision support in the form of a functional unit that studies the Government's decisions and follows-up on their implementation in order to ensure soundness of the decision on the one hand, and keep track of the spatial progress on the other.
- Weak coordinated networking among the Chambers of Industry and Commerce on one side and the municipalities in the planning process regarding sector-based projects on the other side. Being comprehensive, by law, the Chambers of Industry and Trade should approve the Professional Licenses that Municipalities issue for a new business. For example, in one incident, the former asked the latter to abstain from issuing any further licenses without asking them first, due to violations*. As per Al-Kabariti, the President of Jordan Commerce Chamber, "It is necessary to have continuous communication between municipalities and provincial councils with the commercial sector to exchange views on the challenges and obstacles facing their business, to overcome and address them in the interest of the national economy in a way that contributes to increasing growth rates, improving citizens' standard of living, attracting investments, and distributing development gains to everyone"**.
- Poor governance stemming from absent or weak participation and involvement of the municipalities in the preparation of the MoPIC's executive program.
- Failure to prepare studies and surveys related to population needs when preparing plans and regulations for land use.



5. Weaken enforcement of the Investment Law and the lack of coordination between the Municipalities and Jordan Investment Commission (JIC) to promote the consultative role of municipalities.

Despite the existence of the Investment Law and what is referred to as Investment Mapping on the Governorates level, the JIC's role in achieving economic development and realizing spatial planning is still weak. This is clear through the challenges faced by development areas in some of the Governorates due to the lack of regional economic development plans that take into account the sectors potential growth and comparative advantages of those sectors, in addition to the investors direction on both local and international levels. According to the JIC Strategy Plan 2018–2022, the former must exert efforts as per enacted and regulative legislations to supervise the needed ready infrastructure, followed by studied steps towards promoting investments and building partnerships on the local and international levels, while increasing the effectiveness of the Investment Window. Among its initiatives is the supervision of the readiness of Governorates' infrastructures to implement the Investment Mapping Projects for Governorates, while focusing on the neediest governorates for developmental gains (JIC, 2017). The success of JIC's role requires bridging the gap that affects economic development planning in relation to the following challenges:

- Lack of investment mapping reflecting potential opportunities per sector at the city level.
- Weak promotion of existing investment opportunities at the city level.
- Poor encouragement of renewable energy projects and limited facilitation of such projects within regulations, practice, and incentives. This includes under-capitalized solar, wind, biogas, green energy-saving buildings, and/or other energy / water saving mechanisms.
- Limited municipal capabilities to utilize the competitive advantages and the ability to generate their own electrical energy from solar panels or biogas in their areas. This is attributed to Government agreements with the electricity-generating companies, to whom the State is committed.
- Absence of sovereign funds' concept in supporting investments, in cooperation with public and private sectors, accented by the one-stop investment window that facilitates the procedures needed to open new businesses.

* [News Coverage Link](#) – Al Rai News Paper

** [News Coverage Link](#) – Jordan Senate

- Weakness in attracting new investments by the Investment Board and investor pre- or post-care programs, during the investment registration processes and execution processes. Post-care for investors is meant to ensure that they are capable in completing their investments and opening new markets for their products / exports. This is in addition to maximizing planning to expand developmental zones across governorates based on competitive advantages.



6. Lack of index adoption regarding sectors' contribution in front, back and added value changes to identify economic sectors' priorities.

There are no periodic or regular studies in Jordan on the different economic sectors' development through their contribution to the GDP, employability, increased nexus with and among other sectors, and elevation of the sectors added values. The agricultural sector has proven its ability to meet Jordan's food, goods, and raw materials needs during the COVID-19 pandemic, while the tourism sector still suffers from its inability to sustain itself amidst Defense Orders and the frequent lockdowns imposed by the Government on national and international levels, as precautionary measures against the spread of COVID-19 (UN-Habitat, 2020b). There is an urgent need to reinstate and activate economic sectors and overcome the challenges they face as it is negatively affecting economic and spatial development of the Kingdom. Below is a summary of the challenges:

- Lack of exploitation of Jordan's eco-tourism natural diversity. This stands to be a huge income generator and motivator for internal tourism. This includes agro-tourism, adventure tourism, including cultural and heritage activities which is attracting young people and generating income for tour guides and local tourism facilities. However, many of the existing adventure tourism / hiking trails lack safety aspects, services, preservation of nature, and income-generating schemes for the local community.
- Lack of finance and marketing schemes to boost the agricultural and food production nexus, and the need for cooperative and local revolving funds and professional associations to support farmers. This calls for incentives by banks and financial institutions to finance agriculture and food production related projects, marketing programs for the agricultural products, as well as supportive laws and roles of cooperatives and farmers' associations. This can be boosted by strong networking to promote the sector and its nexuses.
- Absent linkages along the food production and distribution chains and marketing, including support to the supply chains and value-added products, preventing comprehensive integration among different areas, as well as realizing where the implementation of the large volume economies concept is feasible.

As an example, and according to the Jordan CBI Business Case (2018-2022) on Fresh Fruit & Vegetables (FFV)* and Value Chain Analysis, these were the observed constraints and bottlenecks in value chain that are limiting export opportunities:

- Producers often do not have access to sufficient quality inputs /resources.
- Farming practices are below international standards and not of a high-enough quality to be competitive.
- The supply chain is not efficient and transparent due to a dominant role of intermediaries and brokers.
- The sector lacks capacity to add value or to properly process the product.
- Human Resources: Access to sufficient and qualified labor is a challenge. There are a lot of Social Responsibility issues at the work floor on the farms regarding safety and health conditions, the legislative protection framework for employees, and child labor.
- Finance: Farmers often have insufficient access to finance to make the necessary investments in their farms.

* Written by Anne Wensveen & Koos van Eyk 2 March 2018

- Marketing: There is no national marketing strategy. The Jordanian FFV produce does not have a great reputation on the international markets. Jordanian farmers often do not know how to target and access the right international markets.
- Policy & Governance: Government institutions and sector associations are not streamlined and do not operate effectively and efficiently. Cooperatives in the sector play a marginal role. There is no up-to-date market intelligence platform. There is no legislation on product quality, resulting in bad quality products reaching export markets.



7. Weak technical content and implementation of the Municipalities and the Decentralization Laws that support regional and local development.

Decentralization is a pillar of political and administrative reform in any country, seen as a product of practicing democracy and popular participation. It has multiple dimensions, including political, financial, administrative, and economical scopes. The Government of Jordan tried through its Decentralization Law of 2015 and the Municipalities' Law to regulate the processes of decision-making in development, defining investment needs, as well as developmental and spatial planning. These processes fall under the authority and mandates of the Governorates Councils and Governorates Executive Councils, which endorse strategic and executive plans with their respective allocated budgets from the Ministry of Finance (MoF). Despite those efforts, there are still some gaps in both the Municipalities and the Decentralization Laws, as follows (GoJ, 2015; MoLA, 2015):

- The Decentralization Project is neither leading to local governance and administrations, nor is it leading to real decentralization that incorporates all the required elements. It may be a project (draft) of administrative decentralization, which deprives Governorates from a real chance to achieve self-sufficiency and real local Governorates investments.

According to the Legal Review of the Jordanian Decentralization, issued by Karak Castle Center for Consultations and Training in Cooperation with Friedrich Ebert Stiftung (FES) in December 2018, and based on a comprehensive evaluation of the Decentralization Law's implementation, in partnership with the direct stakeholders to determine the advantages and disadvantages of the law as well as the challenges that members of the Governorate Councils (GCs) face during the implementation of their tasks, it was found out by the research participant's that, in general:

- The councils did not meet the expected accomplishments of the decentralization system and its objectives. This is mostly because of the personal relationships of the members.
- The Government did not provide tools for the GCs, or qualified administrative cadres.
- There is a significant legal gap between approving and implementing projects and plans.
- The biggest challenge facing GCs is the law as a whole.
- The general public believes that GCs are the only pillar of decentralization. While, in fact, the decentralization applies to four councils that are supposed to be homogeneous and operate under a single plan, not just the GCs.
- The community's perception of the council is a big challenge, especially in distinguishing between the services provided by the municipality and the services provided by the GC.
- Councils must be given greater powers to monitor and oversee implementation.
- Other laws, such as the Municipalities Law, as well as laws related to the work of Executive Councils, must be amended.

- Gaps in the rules of procedure, which require modification, do not facilitate the work of GCs,
- Several members of councils lack awareness of their powers, where to start, and where to end, there is a weakness in understanding the limits of power and the functions of different bodies.
- Amendments of legislation is the only way to develop relationships between the councils.
- Ministries do not cooperate effectively and the relationship between the GCs and other councils is mostly formal.
- Relationships need to be participatory and complementary, whereas they are currently competitive.
- The focus on members of the GCs to raise awareness of their work neglects members of the executive and Municipal Councils
- The ties between the councils and civil society are still under formulation and depend on personal relationships.
- More consultative meetings should be held to strengthen the Council’s relationships with other bodies.
- In general, female participants in the research mentioned that:
 - Men’s voices are heard more than those of women.
 - There are more travel and participation opportunities for men than women.
 - Family responsibilities are a challenge for female members.
 - Council members lack capacity in the legal field of the decentralization system.
 - Male members have more mobility than female members.
 - The biggest challenge for female members is the community’s view of them.
 - There is occasional marginalization of female members from outside the governorate center.
 - There are those who compare the members of the GCs in the House of Representatives.
- Most of the nature of roles and responsibilities of the Governorates Councils are concerned with socio-economic development including very specific technical issues, in addition to their roles in governance and political matters – such as elections or other. Therefore, operating under the umbrella of the Ministry of Interior (MoI) is not an ideal nor a practical status. In other words, the Ministry of Interior (MoI) is not the ideal entity to oversee this type of experience. Undoubtedly, there must be another entity that can coordinate and execute such action, in cooperation with the Ministry of Local Administration (MoLA).
- The Municipalities’ Law and the Decentralization Law do not provide clear and detailed descriptions of the roles and responsibilities for entities such as the Ministry of Interior (MoI), the Ministry of Local Administration (MoLA), the Governments Councils, the Executive Councils, and the municipalities. Regarding regional economic development, both laws do not employ methodologies for designing development plans using the bottom-up approach, nor do they specify implementation, resources, and acting / implementing agencies.
- Weak roles of Development Units in municipalities and Governorates in mapping the regional development as well as the lack of a clear coordination system among different units.

Based on the identified challenges, this clarifies the importance of mainstreaming LED into the Jordan National Urban Policy, as data about the economic and social reality, infrastructure, and various economic sectors, constitute an important basis in achieving growth in cities in a way that serves the competitive advantage. It also helps achieve a qualitative leap in spatial planning and urban policies by adopting standards and principles for planning, building, developing, managing, and improving urban areas along the five main pillars of the NAU; national urban policies, urban legislation and regulations, urban planning and design, local economy and municipal finance, and local implementation.

5

PROPOSED RECOMMEN- DATIONS TO MAINSTREAM LED INTO THE JNUP PHASES AND PILLARS

5. PROPOSED RECOMMENDATIONS TO MAINSTREAM LED INTO THE JNUP PHASES AND PILLARS

Mainstreaming of thematic areas such as LED, entails considering and embedding it into the Jordan National Urban Policy process from the beginning. This section therefore provides an overview of what activities in the mainstreaming process are to be embedded into the various JNUP phases and pillars mentioned earlier in the document.

Feasibility Phase:

This phase is the first phase of the NUP, whereby, in the case of the JNUP, the need to address LED as an important area in the JNUP was identified. In this stage the Government's role in leading the JNUP and the extent of its participation in developing the policy in cooperation with the key stakeholders from ministries, institutions, municipalities, the private sector, and other active partners was determined.

Diagnosis Phase:

Throughout this phase, comprehensive data collection and analysis is conducted to gather all evidence and information to conclude a comprehensive diagnosis report that documents the status of urban development in the country. Regarding LED, it should be covered under the urban economy thematic area in any NUP. In Jordan's diagnosis report, the urban economic thematic area includes data regarding the LED aspect and the extent to which the urban and spatial planning process responds and integrates the LED trend. Based on the adopted participatory approach in JNUP project, several consultation sessions were held during this phase involving the technical committee in addition to many focus meetings involving academic members, local municipalities, JIC, and MoLA representatives, as well as the private sector to build consensus on the identified challenges and opportunities. Moreover, capacity gaps and needed planning courses were identified by participants through a survey. Focus meetings were conducted with CVDB, MOPIC, MoLA, CITIES, JIC, and municipalities to identify current challenges and any current and/or future LED projects or initiatives as aforementioned in this guide. The key evidence gathered provides a basis for future choices and decisions. The Urban economy thematic area in Jordan's diagnosis report highlighted the agricultural sector and food security, the municipal finance system and investment in Jordan, the Municipalities Law and investment role, significant urban economic initiatives, the urban and rural linkages, as well as other concepts related to economic development planning, as areas to be addressed for a comprehensive integrated urban system.

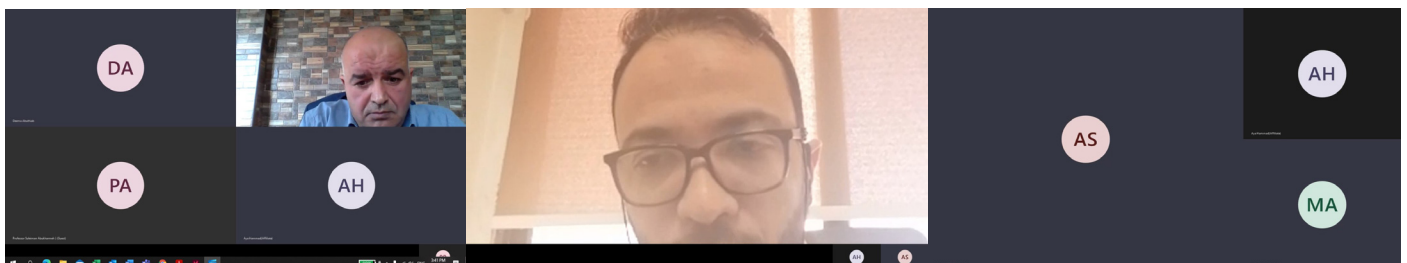


Figure 3: Images of the focus group meetings conducted.



Formulation Phase:

In this phase, the proposal of mainstreaming LED was derived and selected. Alternative approaches to achieving mainstreaming were analyzed, identifying the strengths, weaknesses, opportunities, and threats regarding LED aspect. Accordingly, the recommendations are proposed in this guide are based on the best approaches selected, which will assist in identifying the most effective policy initiatives for LED

It should be noted here that during this phase, a JNUP vision formulation workshop was held involving key stakeholders to formulate a vision statement that reflects the urban development aspirations. LED experts and relevant stakeholders were involved in the vision formulation process to ensure LED aspects are integrated in the vision statement.



Implementation Phase:

In this phase, the formulated action plan, indicated later in the document, acts as a guide for ensuring that LED policy initiatives, including budgeting and responsible agencies for implementing Urban Economy policy programs, are executed. It is imperative during this phase to consult with LED identified stakeholders to gain approval on the proposed action plan.

The main actors in the implementation of the JNUP policy, as proposed, are MoLA and MOPIC. These actors will need to lead the process of implementation in a participatory manner to ensure stakeholders “buy in” and effective collaboration, particularly among relevant ministries, departments/agencies, the private sector, and civil society. Measurable policy goals and targets should also be defined in terms of their impact on local development conditions. Carefully setting indicators will assist in attaining measurable results related to sector growth. Such indicators include, but are not limited to, per capita income, poverty, unemployment rates, or other indications. These results will help update the policies to become more responsive as well as results or outcome-oriented. The indicators found in the action plan will assist in the feedback mechanisms and monitoring of the activities’ effectiveness for LED policy initiatives



Monitoring and Evaluation Phase:

The stakeholder checklist displayed later in the document will assist in monitoring the mainstreaming of LED into the policy process as well as ensure that all stakeholders have taken up their roles and can effectively execute them. Evaluation takes place while checking the outcomes of every LED policy initiative, project, and/or program. This involves questions of whether the policy changed the situation in the country or region, including how institutions work, whether there have been challenges, and, accordingly, how they could be addressed? Reporting to the JNUP National Governmental body on a regular basis on the implementation progress of LED action plan, challenges faced, and the lessons learned is necessary.

Support Pillars in Mainstreaming LED in the NUP Process

The UN-Habitat NUP process is based on three key pillars: **participation, capacity development, and acupuncture projects** as mentioned earlier. Consideration for participation, capacity development, and acupuncture projects should occur at all stages of developing the NUP and will contribute to the overall sustainability and effectiveness of the policy. Below is an overview of the supporting pillars in mainstreaming LED into the NUP:

A. Participation:

According to the NUP adopted participatory approach, LED-relevant stakeholders and the extent to which they can influence the formulation of the policy should be identified. Therefore, LED-relevant stakeholder identification is indicated below:

■ Stakeholder Identification

A group of stakeholders who have a fundamental role in the different phases of the JNUP has been identified (UN Habitat – Stakeholder Mapping Report, 2020). The main stakeholders from the public sector related to LED, planning, implementation, financing, and production include the following:

- **Ministry of Planning and International Cooperation (MOPIC):** It works on preparing development plans and executive programs at the national level and at the governorate level. These plans and programs take economic and developmental directions at the sectoral level. The executive programs at the governorate level also include infrastructure projects that support economic sectors, as well as projects that stimulate the competitive advantage of these governorates.
- **Ministry of Land Administration (MoLA):** It undertakes central planning for all Jordanian cities and municipalities except for four independent Regional Authorities (specified below). The work initially starts with municipalities in the preparation of local development plans that support economic growth and investment in the municipalities.
- **Supreme Planning Council (SPC):** Preparing regional, structural, and detailed plans for all municipalities to achieve a balanced development; study infrastructure projects for Municipal Councils; develop designs and technical specifications; and contribute to the development of population centers due to the lack of Municipal Councils.
- **Cities and Village Development Bank (CVDB):** Providing the necessary financing, banking services, advice, technical support, and capacity building for local authorities and interested parties through service and investment development projects as well as encouraging partnerships between the public and private sectors to improve the local communities.
- **Municipalities:** Providing services, spatial and urban planning, zoning, and investing in assets and properties, as well as creating partnerships to improve the provision of services and enhance development in regions.

- **Jordan Investment Commission (JIC):** Leads and stimulates investments, ensuring sustainability and assisting in achieving the desired impact of economic growth and job creation. Fulfilling this function requires JIC to develop the investment infrastructure and increase its readiness through regulations. It also requires JIC to pursue well-studied steps to promote investment and exports, build local and international partnerships, as well as increase the effectiveness of the investment window.
- **Ministry of Interior (MOI):** Creating suitable investment climates, which can be achieved by enhancing the dialogue between the public and private sector, as well as assessing surveys of sectors and respective development plans. The resulting gaps that are hindering sectors progress should be dealt with.
- **Ministry of Agriculture (MOA):** The Ministry of Agriculture is considered to be one of the pillars for development within the economic and social dimensions. For the past four decades, it has become a pillar for environmental development, providing for the preservation of biological diversity and balance that guarantees the sustainability of resources and preserves the rights of future generations . It also secures the conditions for sustainable development.
- **Greater Amman Municipality (GAM):** Develops their master plans, including Economic Activity.
- **Jordan Valley Authority (JVA):** Develops their master plans, including Economic Activity.
- **Aqaba Special Economic Zone Authority (ASEZA):** Develops their master plans, including Economic Activity.
- **Petra Development and Tourism Regional Authority (PDTRA):** Develops their master plans, including Economic Activity.
- **The Department of Land and Survey (DLS):** Collects the land and properties registration tax under the supervision of the Ministry of Finance (MoF). DLS also manages property rights and provides real estate services. Upon agreement with the MoFF, municipalities collect annual property tax and oversee property valuation and collection (World Bank, 2018).

Stakeholder mapping to identify the level of engagement has been developed and is illustrated in the table below:

Table 1: Stakeholder Mapping and Engagement in Each Phase of the NUP

Stakeholders	Feasibility	Diagnosis	Formulation	Implementation	M&E
MOPIC	✓	✓	✓	✓	✓
MOLA	✓	✓	✓	✓	✓
MOI			✓	✓	✓
MOF	✓	✓	✓	✓	✓
MOT	✓	✓	✓		
MOHE	✓	✓	✓	✓	
MOSD	✓	✓	✓	✓	
DOS	✓	✓	✓		
DLS	✓	✓			
JIC	✓	✓	✓	✓	✓
Municipalities	✓	✓	✓	✓	✓
GAM	✓	✓	✓	✓	✓
RPA's (JVA ASEZA PDTRA)	✓	✓	✓	✓	✓
Public & Private Financial Institutions (incl CBJ)	✓	✓	✓	✓	✓
MoE	✓	✓	✓	✓	✓
Academic Inst	✓	✓	✓	✓	✓
JEA	✓	✓	✓	✓	✓
Public	✓	✓	✓	✓	✓
International and / or Local NGOs	✓	✓	✓	✓	✓

B. Capacity Development:

Mechanisms to develop the capacities of the relevant stakeholders in LED should be prioritized. In the process of mainstreaming LED into policy, it would be key to ensure that not only are the right policy incentives set, but also that the appropriate capacities for implementation are available. The NUP process seeks to ensure that in every phase the capacities are key, not only for policy development, but also for implementation, monitoring, and evaluation. This is also key in the mainstreaming process to ensure that the human, financial, institutional, and technical capacities for addressing the context of LED challenges and integrating economic development planning with urban planning are available.

Strategies for the development of human capacities include training on the LED issues at hand to increase understanding as well as developing skills particular to LED. This may include hiring the appropriate personnel if currently unavailable or additional training for those already employed. The suggested training courses for the involved entities are indicated in the below table.

Table 2: The Suggested Training Courses for the Involved Entities.

Training courses	Entities
Urban Planning	MOLA, MOPIC, municipalities
Urban Economics	MOLA, MOPIC, municipalities, JIC, MOI
Spatial Policies Measurement Tools & Geographical Information System (GIS) for Urban Planning	MOLA, municipalities, JIC
Jordan Land-Use Planning and Legislations	MOLA, MOPIC, municipalities, JIC, MOI
Role of Town Planning to encourage Investment	MOLA, MOPIC, municipalities, JIC, MOI
Updating Master Plans and Strategies	MOLA, MOPIC, municipalities, JIC, MOI

C. Acupuncture projects:

LED Policy initiatives should consider acupuncture projects. This helps in strengthening the NUP itself as a tool for urban development while additionally helping to avoid possible failures. The aim of this pillar is to ensure that policy is translated into direct action through acupuncture projects. LED policy initiatives should ensure that the activities in the action plan have both short, medium, and long-term projects. Short-term projects should be easy to implement in terms of the skills as well as the human and financial resources required. It should be clear who the persons responsible for the project are, the estimated budget, and other specific aspects of the project. There should be clear indicators for the monitoring and evaluation process. The proposed short-term acupuncture projects include:

- Preparing a database that includes the economic and social reality as well as the infrastructure of all regions, municipalities, and governorates of the Kingdom.
- Begin the implementation of a capacity development program for key institutional partners and workers in the field of economic planning and urban policies.
- Institutionalization and organization of work in the field of economic development and spatial planning by amending legislations to ensure a unified umbrella for work. Additionally, developing laws that regulate work, especially with municipalities and governorates that are among the most important implementers of these policies and procedures.



6

RECOMMEN- DATIONS ON HOW TO MAINSTREAM LED INTO THE NUP

6. RECOMMENDATIONS ON HOW TO MAINSTREAM LED INTO NUP

This section presents recommendations that are meant to provide guidance on how to mainstream LED into the NUP, specifically into the JNUP based on the country's specific LED priorities and local context.

Recommendations in the field of integrating economic development into urban planning requires the development of policies in line with the United Nations Sustainable Development Goals (SDGs), especially Goals 8, 11, and 17 as mentioned earlier.



6.1. Recommendation 1

Reconsider the Decentralization and Municipalities Law in a way that ensures coordination between the various councils, including local, governorates, as well as Executive and Municipal Councils.

The Decentralization and Municipalities Law needs to be updated and amended to include administrative and financial power.



To apply this recommendation the following actions are proposed:

- Update the Municipalities and Decentralization Law.
- Grant the Ministry of Municipalities more relevant legal authorities and follow-up with all elected councils.
- Unify MoLA as a Regulator for all elected councils.
- Expand the monitoring role of MoLA to ensure that municipalities expand on the investment side and increase their share of municipal revenues.
- Reconsider and strengthen the role of the development units in municipalities to prepare economic development and investment plans for their areas.
- Oblige the municipalities to have annual percentages of investment revenues as part of the budget.
- Issue special legislation for development units in municipalities and governorates, including the structure of their work and the powers and competencies required to work in these units.



6.2. Recommendation 2

Have a mother entity for urban planning development in Jordan, like the Amman Institute for Urban Development. This entity should be specialized in spatial and development planning as well as the restructuring of institutions that operate in the field.

Accordingly, the following requirements should be taken into consideration:

- Reduce centralization and adopt the idea of regions to facilitate spatial and development planning while ensuring the presence of direction, supervision, and monitoring from the center Government.

- Rely on the strategic map to work on development and spatial planning. This requires reviewing all plans, programs, sectors, and development strategies, including documents and initiatives set by consecutive Governments meant to achieve economic growth and urban development, like the National Convention, We Are All Jordan, National Agenda, Jordan Vision 2025, Economic Incentives Plan 2018 - 2022, Jordan Renaissance Plan 2019-2010, the Executive Development Program (EDP) 2016-2018, the Governorates Development Program 2016 – 2018, Economic development plans for about 73 municipalities, as well as Economic development plans for 12 governorates in cooperation with the Ministry of Local Administration (MoLA) and Ministry of Interior (MoI).
- Prepare comprehensive development plans for all governorates that employ economic development planning to serve urban planning and growth.
- Limit the role of the Supreme Planning Council to implementing spatial planning procedures, approvals, and limit sprawls outside urban boundaries.
- Adopt the goal of achieving integrated development between governorates and regions as a basis for urban and development planning.
- Provide the legal framework to enable the entity to act as a body that ensures coordination among the relevant ministries and departments to complete the content of these plans, as well as indicate the rates of achievement on these plans and their impacts on LED, including the three components of land, population, and economy.
- Adopt a monitoring and evaluation system to ensure the implementation of development and urban plans and their reflection on the level of economic and urban development in regions, municipalities, and governorates.



The proposed actions are:

- Amend legislations to create a single agency responsible for urban planning development in Jordan.
- Prepare comprehensive plans for all regions, municipalities, and governorates of the Kingdom.
- Restructure institutions that operate in the field of spatial and development planning.

Case Study 1: Amman Institute for Urban Development (Ai) and its role in development and urban planning

Lessons-learned from Amman Institute for Urban Development (Ai):

- Collaborative planning
- It is considered an exemplary entity in development, economic, spatial planning, and planning classifications



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Figure 4: Images showing the before and after (architectural renderings) of Amman Institute for Urban Development.



6.3. Recommendation 3

Adopt a new methodology for development and urban planning that takes into consideration the following:

- The bottom-up approach in planning, starting with the local level, followed by the municipal level, and then planning at the provincial level while ensuring complementarity and integration of these plans.
- The competitive advantages of the sectors to prepare specialized studies and maps specifically for each sector of the governorates.
- Development plans and operational programs that incorporate urban and spatial planning through the creation of comprehensive plans at the sectoral level.
- The preparation of comprehensive development plans, for all governorates, that employ economic development planning, which can serve urban planning and growth.



Proposed Actions:

- Reconsider the Decentralization and Municipalities Law regarding the mechanism and methodology for preparing economic development plans and linking it with spatial planning
- Issue a guide on the methodology for preparing economic development plans and link it with spatial planning.
- Prepare a competitiveness map that reflects all sectors and sub-sectors at the city level.
- Prepare studies on the informal sector and its distribution among sectors types.

Case Study 2: South Africa experience in local development

The most important lessons-learned from South Africa include:

- The LED had a positive impact on economic growth and mitigating poverty on the municipality level.
- The impact of sub-national, national, and regional programs on different local areas achieved balanced development.
- Cooperation between the local Government, private sector, and community sectors is feasible. The private sector and the community may play a vital role in economic development.
- The municipalities, their administrations, and their responsibilities are the most important accelerator for local development and forms the basis for creating new partnerships with the private sector.
- The LED is not solely meant to mitigate poverty or implement community projects, it is additionally a strategy for economic growth that includes spatial, community, and global dimensions.
- Enhancing policies and financial support as well as building capacities are the most important things to overcome development obstacles, they increase economic contributions, increase growth, enhance the livelihoods of citizens, and mitigate poverty.
- The LED procedures start at the municipality level, calling for comprehensive and realistic goals as well as working with the partners from the Government sectors, the private sector, civil society, and all local stakeholders. Development may be achieved through projects that are based on the competitive advantage and spatial dimension.



6.4. Recommendation 4

Build the capacity of the partners involved in Spatial Planning and Economic Development Planning to collect and analyze data related to the urban economy needs and requirements:

A capacity-building program is needed to impart institutional skills and raise awareness of the data needed that will help integrate LED into urban policies, including data that reflects the following:

- The economic and social reality;
- The geographical sites and administrative divisions;
- The socio-economic characteristics;
- The infrastructure and entertainment services;
- The environmental dimension;
- Waste and pollution;
- The performance of economic sectors;
- The competitive advantages of the different areas;
- The institutional, administrative, financial, and technical structure of the municipality;
- Strategic and urban planning at the municipality;
- The financial situation of the municipality and investment opportunities;
- And statistics of women at the level of the Kingdom, in terms of local and international obligations.

It is additionally needed to develop a consistent system in data collection, analysis, and accurate measurements, as well as to define and meet spatial planning requirements using indicators of economic development. Training should include public sector policy makers and entities providing valuable input. Quantitative data should also be used as indicators of progress to measure successes/ failures during the Monitoring and Evaluation phase of the JNUP.

Additionally, there is a need to formulate a capacity-building program for spatial planning capabilities to include trainings to equip local municipal, national, and regional entities in improving knowledge, transferring knowledge, as well as mainstreaming LED as a part of spatial planning to monitor and evaluate urban and LED plan implementation. This will lead to implementing best practices and addressing challenges that directly or indirectly affect LED. Among the tools that are beneficial in capacity building is to know when and how to use the Geographic Information Systems (GIS), particularly in decision making on operational and planning / policy levels.



The proposed actions include:

- Define a methodology for integrating LED with spatial planning, which relies on consistent data entry and analysis.
- Determine the beneficiaries of the training based on the entities and partners working on this methodology.
- Implement plans to gain community support for developmental, spatial, and urban planning that include influencers, organizations, cooperatives, associations, women, and marginalized groups.
- Implement training programs at the level of municipalities and local councils, as well as decentralization on urban development planning and its most important requirements.
- Identify spatial planning and GIS technical capabilities within responsible entities.

- Identify recipients of training based on assessment of gaps in capabilities and common objectives.
- Draft the outline of the training course and the expected results based on the methodology of integrating spatial planning and LED.
- Schedule and implement training.
- Develop input reports for analysis based on the available data that assist in integrating LED into urban policies.



6.5. Recommendation 5

Develop a database for urban development planning that includes all economic and social indicators, infrastructure, and human resources at all levels.

Build a database that serves economic development planning and the integration of LED into the NUP. This would encompass economic and social profiling, which is dependent on indicators on local / governorates / municipalities / city levels. These should include:

- The geographic location and administrative divisions;
- The socio-economic characteristics;
- Infrastructure and recreational services;
- The environmental dimension;
- Waste and pollution;
- The economic sector performance and competitive advantage;
- Institutional, administrative, financial, and technical construction for the municipality;
- Strategic and urban planning in the municipality;
- The financial situation of the municipality and investment opportunities;
- And statistics on women at the level of the Kingdom considering local and international obligations.

This information will be the first component in developing location-specific spatial urban planning and drawing scenarios and expectations for the growth of cities and spatial expansion based on the growth of sectors, competitive advantage, interdependence between urban and rural, as well as other factors that govern economic and spatial development.



Proposed Actions:

- Build on the Municipal Observatory Project, which was initiated by Cities and Villages Development Bank to gather socio-economic data covering all Kingdom governorates.
- Start a national project to provide data that assists in calculating the GDP at the governorate level.
- Formulate the objectives and expected results of the strategy for integrating LED into the NUP (Please refer to the Check List in Annex 2 – Attached).
- Define a team of internal experts according to the economic, social, infrastructure, environmental, and other dimensions of the database.
- Start sharing this data to geographic information systems through a specialized team.
- Build the capabilities of the local team to ensure the achievement of goals and results.
- Formulate primary and secondary data sources.
- Identify gaps in knowledge and develop corresponding outreach programs to gain insight into additional sources of information.

- Initiate surveys to fill in the gaps and process data analysis.
- Prepare an economic and social reality profile as mentioned earlier in this guide.
- Formulate procedures for preparing statistical and periodic reports that feed into databases.
- Document the evaluation methods and tools used to assess the state of urban and spatial economic planning in the country (institutional, technical, and financial capacities).
- Identify spatial planning and GIS technical capabilities within responsible entities.

Case Study 3: The Comprehensive Plan for the Sub-Districts of Al-Dhulail and Al-Khalidiyah

Lessons-learned from the comprehensive planning project for the sub-districts of Dhulail and Al-Khalidiyah, plans must apply the participatory approach by bringing all stakeholders together and correlating economic dimension with urban planning to plan the different scenarios-based outlook, which includes:

- Collaboration in preparing development plans with all partners, particularly the community is key.
- The municipalities were key in this initiative and provision of plans.
- Integrate economic development when drafting the urban and spatial growth plans (optimal use of resources and sectors).
- Presentation of different development and spatial scenarios to the decision makers to draw future potential expansions.
- Identify a group of projects that are based on the competitive advantage of the area.
- Identify development and sector-based goals.
- Present intervention plans to achieve goals through phases of short, medium, and long terms.

(Please refer to Second Case: The Comprehensive Plan for the Sub-Districts of Al-Dhulail and Al-Khalidieh)



6.6. Recommendation 6

Invest in projects and initiatives that support and connect spatial development and planning as well as support the future growth of cities and sectors in an integrated manner through value-added chains within sectors.



Proposed Actions:

- Prepare a strategy to invest in small and medium enterprises in urban and rural areas, as these enterprises constitute the largest proportion of the informal economy (constituting of 60%) and have a major effect on the income of families, especially in rural areas (UN-Habitat, 2020b).
- Launch several projects that support the competitive advantage of Jordanian cities, whether in regards to tourism, agricultural, industrial, and/or other aspects.
- Invest in developing city centers and create projects that attract internal and external tourism.
- Reconsider the tax on vacant lands in a balanced way that guarantees achieving the purpose of this tax through motivating owners to invest in these lands, directly or through partnerships with public and private sectors.
- Develop a plan between the public and private sectors to start implementing road infrastructure and services linking the countryside and the city, utilizing competitive advantages, and achieving integration between sectors.
- Complete the naming and numbering project, which started with the implementation of the "Cities" project, to include 100 municipalities.
- Start the implementation of the (GIS) project in cooperation between MoLA and the Ministry of Digital Economy and Entrepreneurship (MODEE).

Case Study 4: East Asian experience in infrastructure and development

Lessons Learned from East Asian experiences, which will assist the enhancement of infrastructure to be ready for investment, and, most importantly, overcome the issues of products marketing in rural areas by connecting them to urban areas. This includes, but is not limited to:

- Linking economic and spatial development to the implementation of the plans by the Government.
- The importance of Government spending as one of the engines of economic development.
- The importance of linking rural and urban areas as well as harnessing competitive and complementary advantages among sectors to enhance this linkage.

Please refer to Annex



6.7. Recommendation 7

To mainstream LED into the NUP, there must be sound and supportive incentives to LED, such as:

There is a need to find standards related to the employment of LED in the NUP and to use these standards in evaluating the performance of institutions, projects, and laws as well as to link them with incentives that encourage these institutions to adopt these standards and achieve their desired goals. (Please Refer to the Check List in Annex 2 – Attached)



Proposed Actions:

- Review laws, legislations, and regulations governing free development and industrial zones, special zones, and other forms of investment (other designated zones for investment) to accommodate competitive advantages as well as to link LED with urban and spatial planning.
- Encourage investment in renewable energy projects and amend legislation to facilitate this, in addition to promoting returns and creating advantages in investing, especially since the cost of energy is one of the most important obstacles that limit investment in Jordan.
- Create a standard related to the ability of municipalities to employ LED in urban and spatial planning activities within the criteria of the Municipal Excellence Award in cooperation with the King Abdullah Center for Excellence, which will be launched in the third quarter of 2021.
- Allocate an award for municipalities' financial performance through a standard that focuses on financial planning, financial results, collection, diversification of revenues, deficits, current expenditures ratio, and investment volume.

Case Study 5: The Malaysian experience in reducing unemployment in its regions

Lessons-learned from Malaysian experience:

- The importance of decision-making based on data analytics.
- Focusing on analyzing the sectors and knowing their needs for skilled and unskilled labor.
- Balanced planning between regions.
- Focusing on small and medium enterprises by region.
- Benefiting from successful regional and international experiences.



6.8. Recommendation 8

Build the capacity of municipal staff, including financial skills

There is a need to review the legislation and regulations governing municipal financial affairs and the methodology for preparing budgets, in addition to linking the performance of municipalities with incentives, with the bodies that directly supervise them, such as the Ministry of Local Administration, Cities and Villages Development Bank, and other.



Proposed Actions:

- Reconsider the legislation and regulations governing municipal finances and the methodology for preparing budgets.
- Diversification of municipal revenues and with less reliance on fuel allowances as a main source of revenue.
- Increase the investment contribution to municipalities' revenues by imposing a certain percentage annually. Being comprehensive, a fixed percentage of the municipalities budget should be imposed and updated annually according to emerging situations.
- Capitalize and build on the Municipalities Financial Observatory Project and its objectives mentioned earlier.
- Utilize the strategic plan for the Cities & the Villages Development Bank (CVDB) 2021 - 2025, with the aim to expand in consultation services and needed funding, technical support to municipalities, and encourage partnerships with the private sector.
- Automate the municipal financial systems and link them to the systems of the technical departments to ensure the collection of financial dues.



6.9. Recommendation 9

Reconsider the concept and methodology of crisis management and community security:

The COVID-19 pandemic has created a worldwide economic and social shock. Jordan is no exception. Jordan had been witnessing slowing growth prior to the pandemic, with high unemployment rates among youth and women. Expectations show that the pandemic will lead, most probably, to a deep global stagnation, partly due to continued health risks. According to reports, the Jordanian economy is expected to shrink by 3.5% in 2020 in comparison with that of the MENA region at 4.2% and the global economy at 5.2% - according to the Global Economic Prospects, issued by the World Bank in June 2020 (World Bank, 2020). In Jordan, it is expected that there will be a negative impact on many sectors, especially trade, money exchange, tourism, and services. Notably, some countries are having difficulties controlling the first wave of COVID-19, while others have started to face the second wave. Given the nature of Jordan's economy and its reliance on the service sector, it is expected that the Kingdom will gradually recover.

Although the Government of Jordan took fast and decisive procedures to contain the virus, the impact on the economy and local communities was intense. This undoubtedly hindered Jordan's progress in many Sustainable Development Goals (SDGs) (Jordan Strategy Forum, 2020) and affected its ability to achieve its set economic growth plans. The cost of COVID-19 is high, specifically in terms of damage to some economic sectors that largely contribute to the GDP, namely the tourism sector, which was heavily affected due to airport closures and a cease in the tourism movements. Additionally, the health sector faced pressure on its human resources and infrastructure, which highlighted the need for restructuring to ensure sustainability of service provision. The Labor sector was affected to a large extent due to closures, salaries deductions, and decreased working hours. The social development sector faced larger burdens with increased need for social security and welfare, in addition to the refugees, women, non-formal sector workers (60% of the Jordanian economy), and the poorest families (as per the joint sector analysis funded by the United Nations, 2020). The agricultural sector also witnessed interrupted supply chains. It is noted that in this regard, some countries had to become self-dependent and use technology to increase their local production. All the other investment sectors were also affected such as industry, trade, and others.

The municipalities were affected and the Ministry of Local Administration (MoLA) declared that the municipalities were unable to collect their financial dues from citizens. They also incurred extra expenses related to sterilizations and hygiene items, up to 4 million JDs a month. Altogether, municipalities lost about 30 million JDs up until the end of August 2020 (MoLA, 2020).

The pandemic and its various impacts shed more light on the importance of developmental and spatial planning in elevating a country's readiness in dealing with catastrophes and pandemics.



Proposed Actions:

- Adopt an early warning system that takes into consideration a set of economic, social, sectoral, and other indicators, the effects of various policies, and, accordingly, provides the decision maker with periodic reports on the most important expected crises, including indicators of factors affecting economic and urban development. For example, an early warning system will reveal governance gaps, as per socio-economic indicators, and reveal growth /sector / area that serve integrated growth among areas.
- Review the concept of crisis management and its methodologies: it is necessary to re-evaluate the role of crisis management centers from the administrative, technical, and infrastructure perspectives, the type of data and staff specializations, how to employ new technology planning, future adoption of strategies that use simulations, as well as scenarios for all crises that may arise. Build an early warning integrated system (as mentioned) and set a special matrix for each type of crisis, whether natural or manufactured (e.g., pandemics, financial, administrative, refuge or other).
- Adopt strategies to develop national sectors related to national and community security. For example, prepare a strategy to develop the agriculture sector to enhance food security by defining areas of agricultural competitive values, defining the strategic crops, ensuring distribution to regions, supporting self-sufficiency, and formulating the strategy for urban agriculture. The education and higher education sectors are equally important, meriting the design of an ICT infrastructure to deal with crises by all key stakeholders involved in education. Additionally, social development must ensure the support of projects that target the marginalized people such as those living below the poverty line.
- There is a need to look at regulating the informal sector without imposing additional burdens on workers.

7

WHERE ARE THE AREAS THAT NEED INTERVENTION?

8

WHO ARE THE MOST DIS-ADVANTAGED GROUPS AND THE TARGET POPULATION?

8. WHO ARE THE MOST DISADVANTAGED GROUPS AND THE TARGET POPULATION?

The integration between LED and spatial planning contributes to shaping the economic spatial system in regions and cities as well as to the optimal investment of natural and human resources, achieving greater economic and social effectiveness. Furthermore, it additionally contributes to achieving a measured growth of economic sectors according to comparative advantage.

This integration between economic development and spatial planning does not serve a specific group or sector only, but rather serves many bodies, beneficiaries, and sectors, and, accordingly, achieves for each of them the goals and ambitions that it aspires to, as follows:

- Economic sectors and achieving inter-sector integration based on added value and promoting the optimal use of available resources.
- Improvement in the level of economic indicators, including the growth rate, the contribution of economic sectors, the level of per capita income, the poverty rate and unemployment rates through investment, and the optimal distribution of projects.
- Improvement in the standard of living for individuals by creating job opportunities and creating projects in marginalized areas.
- Ensuring the creation of projects in rural and urban areas that achieve complementarity and overcome the marketing problem of small and medium enterprises.
- Improving the situation of women in rural and urban areas by creating job opportunities in the sectors as well as increasing the percentage of women business owners through projects that serve inter-sectoral interconnections.
- Achieving improvement in the level of services provided to citizens, including health, education, infrastructure, sanitation, water, and communications services, through thoughtful planning for these services.
- Ensuring the equitable distribution of wealth and the fundamentals of development in the various regions.
- Creating an attractive investment environment and implementing investment projects that achieve integration between regions through comparative advantage.

In addition to the aforementioned beneficiaries, these groups are expected to also benefit, directly or indirectly. The most disadvantaged groups in the targeted population include, but are not limited to: the poor, unemployed, economically inactive, unskilled, families who lost their supporter, as well as those living in areas with poor resources, opportunities, or sound planning.

9

CONCLUSION

9. CONCLUSION

The guide has identified some of the gaps that reflect the current status of and the challenges that limit the employment of economic development planning in urban policies. The guide proposed 10 recommendations and actions related to mainstreaming LED into the Jordan National Urban Policy and how to integrate economic development with spatial planning at all NUP phases .

This guide is designed to support the UN-Habitat in the development of the JNUP, explicitly addressing LED issues.

This guide also provided an overview of the preliminary list of key responsible and accountable stakeholders, the anticipated level of participation in decision-making to implement the actions related to every recommendation for the LED sector of the JNUP, and identified a specific group, sectors, bodies, and beneficiaries that will benefit from mainstreaming LED into the JNUP.



10

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10. REFERENCES

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11

ANNEX 1: BEST PRACTICES

11. ANNEX 1: BEST PRACTICES

First Case: Amman Institute for Urban Development (Ai) and its role in development and urban planning

It is a Jordanian non-profit organization, established in the city of Amman in 2008 as a private shareholding company. It works as a regional center of excellence in good urban governance, planning and developing local communities, and institutional reform in Jordan and the Middle East. Its projects are focused on planning, urban design, sustainability, and tourism projects, through partnerships with local and international firms to fund these development projects. The Institute aims to prevent 'brain drain' and the migration of Jordanian expertise and experiences abroad, as well as to promote participation in the knowledge economy by attracting back expertise*.

The idea of establishing the Institute came after the success it achieved in the comprehensive Amman plan - which won several global awards. It was an initiative by the Greater Amman Municipality (GAM) in 2008 to plan and regulate the growth of the city and the Institute covered activities in areas of good urban governance, locally and nationally. It deals with several issues that are important to the nation and the citizen, such as land management, physical planning, putting forth general policies, lead cities, and other areas the institute is experienced in. The Institute believes in adopting global ideas and applying them locally (think globally, apply locally), so that it suits the citizens need and reflect their visions and aspirations. Therefore, the Institute is not solely based on the professionalism of foreign practices, but rather studying the local context in which these practices are to be applied to first. It perseveres to understand the local surroundings and work accordingly to create stories of success in good urban governance.

The services and programs of the institute revolve around two pillars: (a) providing consultative agreements to establishments in the public and private sectors, inclusive non-profits on issues related to urban development, and (b) continuous research and communications on local governance and developing the local community. The Institute has accomplished tens of projects in classified planning, urban design, sustainability, and training, namely: the Urban Band Project of Amman Wadi (Valley), Ministry of Local Administration (MoLA) planning projects in a number of municipalities in the governorates of Al-Balqa', Zarqa, Irbid, and downtown Amman, promotion of institutional and human capacities to manage earthquake risks in the city of Amman, Amman Institute for the Mitigation of Carbon Emissions, planning for a sustainable and eco-friendly urban transportation, Sustainable Environment Working Plan in Amman, as well as several training, awareness raising, and governance programs for Jordanian and Arab countries human resources, such as training urban planners and municipality staff in Palestine and Iraq.

Lessons-learned from showcasing Amman Institute for Urban Development (Ai):

- Collaborative planning
- It is considered a reference in development, economic, spatial planning, and planning classifications

Ensure the presence of a supervisory entity to implement plans based on key performance indicators (KPIs)

* *The Greater Amman Municipality (GAM) website and multiple documents*

Second Case: South Africa experience in local development

The economic improvement phase started to attract more foreign investments so that capitalists were able to maintain their gains and make maximum use of the particularly enormous mining fortunes of the country in terms of diamonds, gold, coal, raw iron, copper, and uranium. The GDP rose to 152 billion US\$ in 1997. The most prominent factors of this economic success were the encouragement of local and foreign investments, and availing loans for industrial development to become more dependent on advanced technology.

Depending on the competitive advantage of sectors in the south African economy, it succeeded preserved its stability during the global financial crisis, so that it achieved a GDP of 295.5 Billion US\$. The economy of Johannesburg stood up strong without being affected by the global crisis and achieved a growth of 8.5% in 2010.

Tourism, cement manufacturing, and marine economy are among the promising sectors now in south Africa that Johannesburg is working on to develop and achieve maximum benefits, in addition to transport, industries, marine and coastal activities, building and fixing ships, oil and gas discovery, marine interests protection, ocean management, fisheries, advanced hotels, and a nationalized cement industry - with a total of 940 million US\$ worth of investments in cement industries. The south African economy is also dependent on the tourism sector that attracts more than 10 million visitor each year.

The most important lessons-learned from south Africa included*:

- The LED had a positive impact on the economic growth and mitigating poverty on the level of municipalities.
- The impact of Government, national, regional, and local programs on different local areas, this is known as the achievement of balanced development.
- Cooperation between the local Government, the private sector, and community sectors is feasible. The private sector and the community may play a vital role in economic development.
- The municipalities and their administrations and responsibilities are the most important propellant of local development, and the bases of creating new partnerships with the private sector.
- The LED is not solely meant to mitigate poverty or implement community projects, it is additionally a strategy for economic growth that includes spatial, community, and global dimensions.
- Enhancing policies, financial support and building capacities are the most important things to overcome development obstacles, they increase economic contributions, increase growth, enhance livelihood of citizens, and mitigate poverty.
- The LED procedures start on the level of municipalities, calling for comprehensive and realistic goals, working with the partners from the Government sectors, the private sector, civil society, and all local stakeholders. Development maybe achieved through projects that are based on the competitive advantage and spatial dimension.

* *White Paper on the Sustainable Local Development Framework, Ministry of Municipalities (MoMA), 2011*

Third Case: The Comprehensive Plan for the Sub-Districts of Al-Dhlail and Al-Khalidieh

According to terms of reference (ToRs), the project aimed to prepare a development plan for the sub-districts of Dhlail and Al-Khalidieh inclusive the municipalities of Dhlail, Al-Khalidieh and Al-Hallabat, to make them more active in Jordan, based on the fact they are more capable of understanding their citizen's needs and meeting them, in addition to other goals, such as enhancing the livelihood of their populations, availing infrastructure services, meeting housing needs, as well as enhancing economic growth - hence creating job opportunities, promoting decentralized governance, building trust between the Government and the citizens, and effectively managing lands based on the spatial dimensions*.

The project was based on several phases:

Phase One includes the assessment of the status quo to learn points of strengths and weaknesses, opportunities, and threats in the areas, covering partners and stakeholders, land usage, the environment, natural resources, the citizens, education, employment, infrastructure, transport, housing projects, economic activities, public utilities, green and open areas, investment status assessment, investment projects, as well as different geographic data and plans.

Phase Two was based on engaging stakeholders from the local communities in the three municipalities and the Ministry of Local Administration (MoLA), as well as a large number from other entities through workshops to identify the priorities, strengths, weaknesses, threats, and opportunities deriving at scoping the vision through which the content of the socio-economic development plans is built, focusing on the competitive advantage of study areas, and the most important economic sectors that will lead future growth in 2020 - 2040.

During this phase, a group of development and sector goals were set, namely increasing balanced economic growth in study areas by focusing on sectors competitive advantages and relative traits. The plan showed that the engines of economic growth were in the industrial and agricultural sectors, as an urgent priority, followed by the tourism and commercial sectors, in addition to building on promoting projects that support spatial linkages and the relationships with the surroundings on local, national, regional, and international levels, given the strategic location of the study area. This phase included an analysis of growth directions across these sector on short (2010-2025) and medium (2026-2032) and long (2033-2040) terms by scoping a group of assumptions and expectations to the percentages and rates of growth based on the status quo analysis across sectors by analyzing the volume of exports, labor, contribution to the GDP, main obstacles per sector and consultations with the experts and specialists, looking into the future directions of sectors based on State strategies and plans. An independent development plan was prepared per sector that included a group of projects, programs, and interventions on sectors levels on short, medium, and long terms, to ensure realization of assumptions and aspired socio-economic impact as per the Socio-Economic Development Plan in particular, hence meet the goals of the Development Plan of the sub-districts of Dhlail and Al-Khalidieh.

* *Regional Development Plan for Al-Dhulail and AlKhalidiyah 2020-2040*

Phases Three and Four: Preparation of the Comprehensive Development plan, which includes the Socio-Economic Development, alternative and scenarios of population growth till 2040 and areas of expansions. Connecting the development plan with the spatial dimension by presenting maps, scenarios of land usage and ownership, scenarios and plans for the growth of sectors and economic activities plus their distributions over lands in study areas, based on the competitive advantage. Thinking of supportive sectors to economic development such as the environment, natural resources, employment, infrastructure, transport, road networks, general services, open spaces, and the vegetation cover, so that 3 scenarios were presented on spatial planning that translates the comprehensive development plan over the next 20 years till 2040. Five priority projects were selected, followed by feasibility studies in cooperation with the local community and all partners.

Most important lessons-learned at the comprehensive planning project for the sub-districts of Dhlail and Al-Khalidieh:

- Collaboration in preparing development plans with all partners, particularly the community.
- The municipalities were key in this initiative and provision of plans.
- Employ economic development when drafting the urban and spatial growth plans (optimal use of resources and sectors).
- Presentation of different development and spatial scenarios to the decision-maker.
- Identify a group of projects that are based on the competitive advantage of the area.
- Identify development and sector-based goals. Present intervention plans to achieve goals through phases on short, medium, and long terms.

Fourth Case: East Asian experience in infrastructure and development

Studies have shown the extent to which Government spending in all its forms contributes to poverty reduction in rural areas in many countries, where Government spending on infrastructure development has been critical to progress in reducing poverty and unemployment, achieving balanced development between regions and increasing reliance on value-added chains and frontal and back links of sectors.

In China, Vietnam and India, infrastructures and roads in rural areas have proved to be an effective investment by Governments, which has helped economic growth, particularly agricultural activities, and led to economic returns in other economically underdeveloped regions because of this linkage in infrastructure.

Vietnam has made huge investments in rural roads, increasing the number of easily accessible municipalities in all seasons from provincial centers by about 50%, affecting the distribution of development earnings and on projects, education, and income levels in these areas.

Lesson- learned from East Asian experiences include:

- Linking economic and spatial development to the implementation of the plans by the Government
- The importance of Government spending as one of the engines of economic development
- The importance of linking rural and urban areas and harnessing competitive and complementary advantages among sectors to enhance this linkage

Fifth Case: The Malaysian experience in reducing unemployment in its regions

The country relied on improving human capital by developing the living, educational and health conditions of the population most in need. Mahathir Muhammad pursued a policy that relied on balanced development of different regions, sectors, and ethnicities, which led to the reduction of social imbalances and disparities, promoted education, and sent student missions abroad, especially to Japan to learn modern technology, and brought in Japanese experts to provide qualitative and advanced training for Malaysian personnel and cadres.

It has allocated a fund worth 83 million dollars for training within an economic development program aimed at developing workers' skills and reducing unemployment rates. It has allocated 2.2 billion dollars for developing the economy in its branches, which requires developing workers' skills and reducing unemployment. The Government and universities have worked to develop twinning with their counterparts in developed countries, especially in Japan, Britain, the United States and Australia, with a double focus on technical, engineering, economic and administrative institutes, and colleges.

The Government has adopted a series of laws that regulate the work environment, guarantee fair rights for the workforce, and have sought to export skilled workers abroad for the purpose of absorbing the leakage resulting from laying off these workers from stalled enterprises. Currently, the Government provides tax incentives to local companies in exchange for absorbing the largest possible amount of the workforce, which is stipulated in the 1972 Employment Incentive Act, which includes tax deductions commensurate with the size of employment. These companies enjoy Government grants and facilities in terms of training and upgrading the capabilities of their employees, especially in the high-tech sectors of electronic industries. The Government supports the Employment Agency of the Malaysian Ministry of Human Resources and the private sector recruitment agencies of more than 800 officially licensed agencies, all of which seek to secure employment for graduates.

The Malaysian Government has also invested in small and medium enterprise development programs through the Integrated Action Plan for Small and Medium Enterprises by assigning an agency specialized in collecting data, coordinating small and medium enterprise planning, and implementing the SME development program Monitor and evaluate performance and achievements.

These policies and procedures, according to the data of the Malaysian Department of Statistics, led to a decrease in the unemployment rate to about 2.9 per cent, which indicates that the country is free of unemployment according to international standards that any country is considered free of unemployment if the percentage of the unemployed is less than 4 per cent.

The most important lessons-learned from the Malaysian experience:

- The importance of databases in making decisions
- Focusing on analyzing the sectors and knowing their needs for skilled and unskilled labor
- Balanced planning between regions
- Focusing on small and medium enterprises by region
- Benefiting from successful regional and international experiences

Sixth Case: Links between economic and urban planning in Abu Dhabi Vision 2030

It is a set of comprehensive strategic policies that aim to develop the Emirate of Abu Dhabi within the next twenty years, which were prepared under direct supervision of UAE leaderships, 2006. The plan aims to coordinate the political efforts of all Government agencies in the Emirates. It is based on two basic perspectives: Abu Dhabi Economic Vision 2030, and Abu Dhabi Urban Planning Vision 2030*.

The Abu Dhabi Plan 2030 is developed by the Abu Dhabi Urban Planning Council and works to establish a clear vision of Abu Dhabi's sustainability, meet its current and future needs, develop society, and promote a new style of thinking aimed at enhancing the emirate's standing and long-term vision. The plan introduced conceptual solutions for the development of the Emirates during the second quarter of the second century, addressing key issues including the environment, transportation, use of land and land spaces. The Abu Dhabi Vision 2030 outlined the emirate's aspirations for sustainable development that reflects its directives to be one of the world's leading economies and communities. **To achieve this, the Government of the Emirate of Abu Dhabi has identified nine key pillars on which the social, political, and economic future of the Emirate is based on, as follows:**

- High-quality educational and health services and an advanced infrastructure
- An active and influential private sector
- Creating an economy based on sustainable knowledge
- An efficient and transparent legislative environment
- Internal and external security stability
- Maintaining outstanding relations with the rest of the world on various levels
- Resource development in the emirate
- Preserving Abu Dhabi's values culture and heritage
- Continue to contribute to the strengthening of the union between the Emirates of the State

One of the most important lessons learned in Abu Dhabi Vision 2030

- Participatory and collaborative planning among all institutions
- Develop performance indicators for the plans that enable the decision maker to follow-up
- Planning based on sound foundations through an economic and urban vision to ensure that economic development is employed in the drawing of urban and spatial growth

* The official website of the UAE Government



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ANNEX 2: CHECKLISTS

12. ANNEX 2: CHECKLISTS

Checklist for mainstreaming LED in JNUP phases

Comments, Pillars, Questions	Phases
<p>Formulation of the following teams from all stakeholders:</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Steering Committee</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Technical Team</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Data Collection team</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Media Team</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	<p>Feasibility</p>
<p>Review the Existence Policies and strategy</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	
<p>Mapping of all stakeholders</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	
<p>Distribution of roles of stakeholders</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	

<p>- Build Comprehensive Socio-Economic Profile as a comprehensive diagnostic report that documents the status of urban development in the country.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Adopted participatory approach.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- several consultation sessions were held during this phase involving the technical committee in addition to many focus meetings, including academic members; local municipalities; JIC, and MoLA representatives; and private sector</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- identified gaps through the SWOT analysis</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- the Capacity gaps and needed planning courses were identified</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	Diagnosis
<p>- Identify the Priority of the Economic and development gaps, according to the JNUP requirements.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>Formulate a vision statement that reflects the urban development aspirations 'envisioned'. LED expert and relevant stakeholders were involved in the vision formulation process to ensure LED aspects are integrated as well in the vision statement.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Identify the Strategy and Development Goals, which reflects that LED aspect are integrated in JNUP.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	Formulation
<p>- Building an Executive plan that defines the projects and initiatives that must be implemented to achieve consistency between economic development planning and urban and spatial planning.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- The Executive plan outlines stakeholder responsibilities, implementation timeline, cost and performance indicators.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Consult with LED identified stakeholders, to gain approval on the proposed action plan.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p>	Implementation

<p>- Prepare the stakeholder checklist which will assist in monitoring the mainstreaming of LED in the policy process, and ensuring that all stakeholders have taken up their roles.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>- Building a system of performance indicators to monitor and evaluate the success of implementing the urban planning policy through economic and development planning.</p> <p>1. <input type="checkbox"/> No 2. <input type="checkbox"/> Partly 3. <input type="checkbox"/> Yes</p> <p>These indicators include the following:</p> <ul style="list-style-type: none"> ■ The extent of the commitment of the stakeholders' partners to implement the roles ■ The Efficiency of the resources used ■ Adequacy of financial resources ■ Adequacy of the schedule ■ The level of change in the situation in the country or region, including how the institutions operate. ■ Challenges addressed ■ Growth of the economy in relation to urban planning and the achievement of measured growth of economic sectors ■ The impact of urban policies on value-added chains in economic sectors ■ The implications of urban policy on key indicators such as per capita income, poverty and unemployment rates ■ The implications of urban policy on improving the level of development and reducing the development gap between regions ■ Unify the planning references and improve the level of economic development and its indicators ■ Equitable distribution of economic and development projects from developmental and industrial areas in a way that affects economic indicators and improving the standard of living 	<p>Monitoring and Evaluation</p>
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