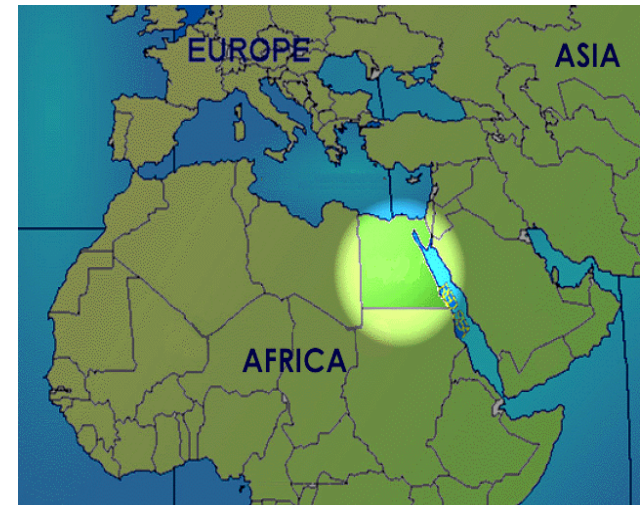


Alexandria City Development Strategy (CDS) & Alexandria Growth Pole Project

EGYPT



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Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

1- Alexandria Local Economy Assessment and Competitiveness report completed. The Report concluded that:

- Only 31% of the Governorate's population is active in the labor market because 51% of Alexandria's population is estimated to be under the age of 20 and low participation of women in the labor force.
 - There is a need to create at least 40,000 new jobs every year for new entrants in the job market to respond to 1.2 million increase in population in the next 15 years (from 3.7m in 2006 to 4.9m in 2021).
 - Most industrial sectors located in Alexandria registered a growth during the past three years, especially: 1) the Food and Beverages (8%), 2) Chemicals & Petrochemicals (7%), and 3) the Basic Metals Industry (5%).
 - The manufacturing and service sectors (including tourism) can, IF WELL SUPPORTED, create most of employment opportunities needed. Special support should be given to Merghem and Al-Nahda industrial areas.
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Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

2- Surveying Squatter Settlements and Setting up an Urban Upgrading Strategy completed: The Reports concluded that:

There are 30 squatter settlements in Alexandria in which 1.36 million inhabitants live. These settlements are distributed as follows:

- 9 in Al Montazah district (formal and informal);
- 8 in Amriya district (mostly informal);
- 5 in East district (formal and informal),
- 2 in Central district (formal and informal),
- 5 in West district (mostly informal),
- and 1 in Borg Al Arab Markaz and City

Participatory Rapid Appraisal in 20 settlements defined detailed issues and community priorities of improvement in each area.

El-Amrawy, El-Hadara Al-Jadida, and Naja'a Al-Arab have been selected as pilots to start implementation.

Implementation has already started in El-Amrawy with funding from the Social Fund for Development (about EGP 6.00m).

Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

3. The Comprehensive Strategic Development Plan for Lake Marriout Zone- Emphasis on Immediate Action Plan- report completed.

The report made a detailed problem analysis, situation assessment, and defined the strategic Environmental Development Vision as follows:

Lake Marriout Comprehensive Development Plan aims at optimizing the utilization of natural resources without causing any ecological disequilibria in this vital zone. The wise utilization would bring economic, social, and environmental sustainable development, which would ensure opportunities for generations to come

The Rehabilitation of the Lake Zone is divided into immediate, medium, and long-term action plans (2005-2013), with three main Programs:

- Technical- to reduce industrial pollution & wastewater pollution
 - Policy & Institutional Reforms- to establish a Lake Management Authority; and
 - Socioeconomic- to ensure improvement in the livelihood of fishermen and residents in surrounding squatter settlements.
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Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

The Lake Immediate Technical Action Plan comprises 7 integrated interventions:

1- Enhance the primary treatment of 600,000m³/day effluent from the Eastern Wastewater Treatment Plant (EWTP) to El-Qalah drain, which are eventually discharged into the Lake. This effluent has high organic load (about 150mg/l of BOD) and low oxygen content.

Proposed enhanced primary treatment measures include: aeration/air blowers and chemical treatment. There might also be biological treatment in El Qala drain and the main basin if proven to be feasible. (Discussion is underway with Government of Japan to co-fund the proposed enhanced treatment package up to \$10.00m.

2- Secondary Treatment of totally untreated sewerage discharged from Daer El-Mattar, Semoh, El-Amlak and Gonet drains, which bring together some additional 300,000m³/day of untreated sewage into the El-Qalah drain then to the lake. These drains, combined, constitute a much worse source of pollution to the lake than the primary treated sewage.

Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

The Lake Immediate Technical Action Plan (cont'd):

- 3- Civil engineering works on El Qala drain (with EGP 6.00m funding from Ministry of Irrigation);
- 4- Aeration of the water body of the main basin and Qala drain (surface aeration using mobile units);
- 5- Possibly, if feasible, dilution of Qala drain wastewater with a better quality agriculture drainage water from El Umoum drain;
- 6- Reduction coverage of water reeds (possibly from 70% to 30%); and
- 7- Industrial pollution control under the World Bank Project: 'Egypt Industrial Pollution Abatement Project II' (EPAPII \$60.00m) with support from Japan Bank (JBIC), Global Environment Facility (GEF), and European Commission (EC)- Alexandria's share of the project is about \$35.00m.

Alexandria Growth Pole Project (AGPP) will finance most interventions related to wastewater pollution (1,2,4,5,6) with an estimated cost of about \$40.00m.

Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

4- Alexandria Tourism Development Strategy completed. The strategy came with the following findings and conclusions:

- 1- Alexandria's hotel accommodation capacity (3,400 rooms) is low for an important city like Alexandria.**
 - 2- Only 5 stars hotels have good room occupancy rates of above 70 percent, and only 2% of foreign tourists to Egypt visit Alexandria.**
 - 3- In 2004, hotel arrivals totaled 389,233 and bed-nights totaled 675,494. Both, domestic and international hotel clients have a very short average length of stay of only 1.7 days and 70% of them are for business.**
 - 4- Annual expenditures of hotel clients in Alexandria is good (estimated at \$44.00m, including a contribution of \$ 1.8 and \$ 0.9 million in direct national and local tourism taxes) but could increase significantly if length of stay increased and more cultural and recreational activities introduced.**
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Achievements of Alexandria CDS- Phase I Cities Alliance Grant (\$200,000) 2003-2005

4- Alexandria Tourism Development Strategy completed (Cont'd)

Conclusion: There is scope for expanding tourism arrivals, bed-nights and tourism contribution to Alexandria's economy. This needs:

- 1- Improvement of hotel facilities and services;
 - 2- Increase number 5 stars hotels beds for business and recreation stay; and
 - 3- Make emphasis on:
 - Corporate tourism (company meetings, incentive travel, special events),
 - Exchange tourism (national and international conferences and scientific gatherings), and
 - European cultural tourism (building on cultural heritage sites, modern sites including the Library, museums, opera house and the planned aquarium and underwater tunnel to visit the submerged monuments).
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Alexandria CDS Vision

2005-2017

Alexandria takes advantage of its competitive endowments, better manage local assets, remove constraints to private sector-led growth, and ensure the socio-economic integration of the poor in the development processes

Alexandria City Development Programs

2005-2017

Program 1: Implement High Priority Economic Infrastructure to Support Local Economic Development:

- Enhance wastewater treatment system in Alexandria which would contribute to improvement in the environment quality in the Lake and attract investors for development of surrounding lands;
- Development of land surrounding Lake Marriout through public-private partnership and leveraging private sector investments; and
- Rehabilitating/reconstructing selected critical access roads linking centers of economic activities with major transportation hubs in Alexandria.

Program 2: Improve Local Investment Climate for private sector-led growth, through strategic interventions to address key constraints facing existing and new businesses including:

- Reducing time, steps, and cost of business start-up licensing procedures;
- Facilitating registration of existing land and property informally held by investors; and
- Expanding private sector participation in the management and development of industrial areas.

Alexandria City Development Program 2005-2017

Program 3: Urban Upgrading of Informal and Squatter Settlements, through a comprehensive Urban Upgrading Policy that integrates the urban poor in the economic development of the city:

- Increase access to jobs, micro-finance and business support services, with emphasis in women and youth;
 - Increase access to infrastructure and services; and
 - Enable land ownership and property registration in squatter settlements.
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Alexandria City Development Program

2005-2017

Program 4: Human Development and Sustaining Participatory Strategic Planning:

- Improve the educational system and increase the enrollment ratio of students in higher education;
- Expand the health sector reform initiatives, with emphasis on increasing the number of community health care units, family doctors and increase health insurance; and
- Develop human resource development programs that would enhance technical and management skills required to develop the city's competitive clusters.

Program 5: Sustain Alexandria Participatory Strategic Planning Process:

- Establishment of Alexandria Development Agency; and
 - Update of Alexandria Urban Master Plan (New Urban Structure Plan for Alexandria Governorate and Land Use Plan for Alexandria City).
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Alexandria CDS- Phase II

New Cities Alliance Grant (\$350,000) 2006-2007

Objectives:

- Establish a model Industrial Estate & Enterprise Park Program in Alexandria- with technical and co-financial support (\$100,000) from the International Finance Cooperation (IFC), Foreign Investment Advisory Service (FIAS)
 - Prepare detailed participatory urban upgrading plans for the three squatter settlements to start provision of land-titles and tenure regularization (with support from GTZ).
 - Assist in the establishment of a new City Development Agency for Alexandria (with support from Bibliotheca Alexandrina, Marseilles and Seville).
 - Hold an international conference on local economic development in Bibliotheca Alexandrina on March 20-21 (with presentations made by London, Lyon, Barcelona, Seville, Turin and Lisbon).
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Alexandria Growth Pole Project

(AGPP, 2006-2011)

\$100.00 m, World Bank Support, and \$40.00 m donors and
Government contribution

Project Development Objective:

To enable Alexandria to take advantage of its competitive endowments, better manage local assets, remove constraints to private sector-led growth, while ensuring the socio-economic integration of the poor

Alexandria Growth Pole Project

Component 1 (\$70.00m + \$4.00m OBA + \$10.00m JICA):

High Priority Economic Infrastructure to support Local Economic Development:

- ❑ Enhance wastewater treatment system in Alexandria which would contribute to improvement in the environment quality in the Lake and attract investors for development of surrounding lands (\$40.00m- works);
 - ❑ Development of land surrounding Lake Marriout through public-private partnership and leveraging private sector investments (\$20.00m- works); and
 - ❑ Rehabilitating/reconstructing selected critical access roads linking centers of economic activities with major transportation hubs in Alexandria
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Alexandria Growth Pole Project

Component 2 (\$5.00m WB+ \$900,000 PEP-MENA + \$100,000 FIAS):

Improve Local Investment Climate to which businesses are subjected by the local administration:

- ❑ Reduce time, steps, and cost of business start-up and licensing procedures;
 - ❑ Streamline land and property registration process of existing land and property informally held by investors; and
 - ❑ Expand private sector participation in the management of industrial areas and other municipal assets.
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Alexandria Growth Pole Project

Component 3 (\$30.00m WB + \$10.00m SFD + \$0.50m AUDI/UNICEF):

Urban Upgrading: Integrate the urban poor in the economic development of the city through:

- Provision of land-titles in squatter settlements;
- Increase access to infrastructure and services; and
- Increase access to jobs, micro-credit and business support services (funding from the Social Fund for Development- SFD).

Micro-credits will target employment-generation (to start or expand SMEs), income-generation (for home and women-based activities) and house improvement (priority to those who will regularize their land status)

Alexandria Growth Pole Project

Component 4 (\$5.00m WB):

Technical Support & Project Operation:

- ❑ Update of Alexandria Urban Master Plan (New Urban Structure Plan for Alexandria Governorate and Land Use Plan for Alexandria City);
 - ❑ Establishment of Alexandria Development Agency;
 - ❑ Preparation of detailed engineering designs, feasibility studies, etc.; and
 - ❑ Operational cost of the Project Implementation Unit.
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Alexandria Growth Pole Project

Preparation Timetable (achievements to-date)

- ✓ Secure \$550,000 Japanese PHRD Grant for project preparation (done and approved by the President and the Parliament)
 - ✓ Establish Project Implementation Unit- PIU (done by Governor Decree No. 671, August 2, 2005.
 - ✓ Sign Memorandum of Understanding with partners (done with SFD, PEP-MENA, Library, AUDI/UNICEF).
 - ✓ Establish a Board of Directors for Industrial Areas Development in Alexandria (done by Governor Decree No. 537, June 22, 2005.
 - ✓ Tender out all project components design assignments and preparation of an Integrated Environmental & Social Impact Assessment.
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Alexandria Growth Pole Project

Preparation Timetable (next steps)

- ❑ Complete project components design under the PHRD Grant (February-August 2006).
 - ❑ Project Appraisal by high-level World Bank Mission (May 22, 2006).
 - ❑ Project Formal Negotiation between the Government of Egypt and World Bank (July 17, 2006)
 - ❑ Approval of the Project by the World Bank Board of Directors (October 22, 2006).
 - ❑ Project Ratification by the Egyptian Parliament (November, 2006).
 - ❑ Start Implementation: Project Effectiveness (December, 2006).
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