

December 3, 1978

MONTHLY PROGRESS REPORT

Best Available Copy

by

Ghaleb Bagaeen, Director General, AURPG *GB*

and

Arch Dotson, Senior Adviser *AD*

The present report is the sixth of the series of joint reports required by Contract AID/NE-C-1510, Jordan. It covers the month of November, 1978.

As in previous reports, this account is organized by the objectives set out in the terms of reference contained in Cabinet Resolution 1706 (July, 1977) and Letter of Implementation No. 21 (August, 1977), the documents authorizing the project.

I. Preparation of the Regional Development Plan

As anticipated in previous reports, half the junior professional staff have been absent during November in order to attend a short course at DPU in London on "Planning for Regional Development." The time and resources that could be allocated to objectives other than training have, therefore, been limited. Nonetheless, considerable progress has been made toward the preparation of the Regional Development Plan.

The project/program/policies teams established after the second workshop have continued to conduct essential researches and analyses involving:

- 1) industrialization in the region,
- 2) shelter in the region, and
- 3) the regional poor.

A fourth team was also established, to analyze the developmental implications of the demographic data contained in the earlier completed "Handbook of Regional Demographic and Statistical Data."

The achievements of the first and third teams are difficult to measure in quantitative terms. Research prospectuses were refined; data needs were identified; data were collected.

then analyzed; and findings were made. The level of consideration was raised to policy, and the scope of investigation extended to regional and, as appropriate, to inter-regional issues.

Particularly in relation to industrialization were such inter-regional factors relevant. The team were required to begin an evaluation of the report of the consultant (Chemech Associates of Singapore) on the preliminary design of Jordan's first industrial estate, to be located at Sahab, a municipality approximately 10 kilometers southeast of Amman. This estate would contain about 700 factories, an international industrial exposition, and a free trade zone. At existing rates of industrial growth in Jordan, it would absorb for several years a major portion of the foreseeable investment in the secondary sector. It would, as well, generate new needs for skilled labor and require the creation of specialized vocational training schools within the industrial estate itself. A new infrastructure of services would have to be provided. All this aside, virtually a new town with a probable population of 100-125 thousand would be needed to accommodate the industrial personnel, their families, and the tertiary sector population which the estate may be expected to attract. Such a "project" is, in fact, a "program" which involves both regional and national "policy" concerning a) the location of industry in the Kingdom and b) the character of that industrialization.

The resolution of these issues will regulate much of those portions of the Regional Development Plan that deal with:

- 1) the inter-regional distribution of development,
- 2) the allocation of investment among sectors,
- 3) man (and woman) power development,
- 4) the structure of the regional economy,
- 5) regional land use,
- 6) regional settlement patterns
- 7) inter-regional, plus regional, transportation,

- 8) the allocation of scarce public funds and other resources, at least regionally, for
- *water
 - *power
 - *shelter
- etc.

Such a major installation will have a zone of influence around it for which diverse service and regulatory measures will be required.

In addressing these issues and partially and tentatively sketching policies concerning them, parts of the Regional Development Plan were to that extent prepared.

The shelter team was more advanced in its consideration of another part of the plan. As expected in the October monthly report, the evaluation of the Abu Nuseir new town proposal proceeded. Two meetings with the Housing Corporation and the Swiss consultants for the project were held (November 20 and 22). At these meetings, the AURPG presented its appraisal of the proposal and the requested responses to the consultant's questions earlier addressed to us.

Last month's forecast as to the feasibility and desirability of this project were, unfortunately, confirmed by further analysis. Three reports were generated by the evaluation:

- 1) Consultant Report on Abu Nuseir (by Robert E. Mitchell, Nov. 22, 1978)
- 2) Response to Consultant's Questions (by AURPG, Nov., 1978)
- 3) The Proposed Abu Nuseir New Town: A Planning Evaluation (AURPG, Nov., 1978)

The third report, the planning evaluation, is attached herewith. Its principal demonstration is that the proposal is, at best, mistimed, and that it ought to be reconsidered comprehensively. When the total costs are accounted for and total revenues reasonably estimated, it is apparent that it is, in fact, fiscally infeasible and can only be underwritten through

massive public subsidies. We estimate that the actual cost will be at least 114% higher than the consultant's partial (and in some particulars mistaken) estimates. Serious methodological issues are also raised. A search for superior practical alternatives must now be mounted. That search has not been made, for the unnecessary but sufficient reason that no systematic consideration of the question had been given before the site was purchased (at a cost of JD 2.5 million). Ad hoc consultants should not be expected to provide disinterested appraisals of sites and projects which have, in effect, been adopted. Important social issues and questions of equity are also intrinsic to this proposal in light of the extraordinary cost and its externalization upon those who will not benefit from the investment. The same cost prevents larger groups needing public assistance to secure shelter from securing it, because the available resources have already been pre-empted.

The findings of the evaluation stand by themselves. Also in point in the present context is their contribution to the preparation of the Regional Development Plan. However the Abu Nuseir proposal is disposed of (and the AURPG evaluation ought to be reviewed by the full Policy Reference Group and others at the highest policy-making levels), it must have important implications for the Regional Development Plan, as to:

- 1) regional settlement patterns,
- 2) transportation,
- 3) regional land use,
- 4) the allocation of scarce public resources for infrastructure and basic human services, and
- 5) the distribution of benefits among those eligible to receive such allocations.

Each of these matters was considered intensively during the Abu Nuseir evaluation, and the results will be incorporated quite directly into the sections of the Regional Plan dealing

with each of these topics.

The same may be said of the analysis of the implications of the demographic data of the Handbook. In the draft report, "The Population of the Amman Region and Planned Development: The Demographic Connection," certain policy "indications" are sketched, among them:

"A. Slowed Growth

No matter what other steps are taken over either the short or long terms for the planned development of the Amman Region, if the costs and constraints are not to be compounded there is no escape from the requirement that the rate of population growth be reduced. . . .

"B. Inter-Regional Deconcentration

The primacy of the Amman Region has been confirmed in great detail by the settlement data. The "other region," the rest of the Kingdom, appears to be a mere residual of development, that which is left over from Amman's disproportionate share. While the short-term costs may be high, there can be little doubt as to the long-term national benefits of inter-regional deconcentration. . . .

"C. Institutions and Processes for Inter-Regional Settlement Policies

The policies just indicated will not, in fact, occur without a set of institutions and decision-making processes for making and implementing them. That the Amman Region has become so primate is not because of any initial locational advantage of this regional space over many others in the Kingdom, but because public policy has, unwittingly perhaps, fostered that primacy. Government itself has, in this sense, sponsored the dominance and disproportions that the settlement data have demonstrated. . . .

"D. Intra-Regional Integration

A concomitant, and only apparently opposite, policy to inter-regional deconcentration is indicated: it is intra-regional integration. The term "integration" rather than concentration is appropriate here, for although an increase in population in some sub-regional spaces would occur, it would be planned and interrelated settlement, not simply the location of more people in less space. . . .

"E. Critical Factor Planning

. . . What is wanted are rough estimates of the inputs needed to meet projected requirements, plus approximations of expected resources. In the exercise, the critical factors -- those in short supply, those that will regulate output -- may be identified and estimated. Such strategies as are feasible may then be mounted to have as much as possible of the required resource available at the time when it will be critical. . . .

These indications will be expressed in the Regional Development Plan. To try out their more specific implications, "the policy body itself -- the Policy Reference Group, through its Executive Committee" is to be invited to use its "unique resources by which to survey and select the actions that flow from the policy indications now outlined by its technical staff." The acceptance of this invitation, however, remains to be seen.

In the first series of critical project evaluations, initiated last June, several projects at Marj El Hamam were analyzed. Among them was a proposal for an "international fair," sponsored by the Ministry of Trade and Commerce. As in the case of Abu Nuseir, the land had been acquired without any feasibility analysis. It had also been acquired in a declared unawareness of the important housing projects to occur surrounding it.

On November 19, this particular "chicken" came home to roost -- at AURPG. Mr. Jon Otnes of UNIDO, accompanied by a colleague from the Ministry, came to present his tentative proposals for the new fair. "The bride," to use his preferred figure, had been presented to him, and "I must make the best of the marriage." The deficiencies of the proposed project site were explored in detail: shortage of water, inadequate parking, congestion during peak operation, the need for a larger level area, etc. A field trip for Mr. Otnes was hastily organized so that he might see preferable sites, especially around the prospective centers of population and the new industrial zone of Sahab (where a separate international fair was also proposed in relation to the industrial estate, as noted above).

We do not know at this point what the UNIDO consultant will propose; but his report should be made available to AURPG. In some fashion, its recommendations will have to be dealt with in the Regional Development Plan.

It may be apparent, then, from this review how the objective of plan preparation has been pursued during the month.

and with what progress. We reckon that the progress has been very substantial.

II. Formulation and Revision of the Planned Development System

As in several preceding reports, we have no achievements to record in direct relation to this objective. The reason is the same as before: we have not intended to address it directly. Nonetheless, the evidence of the concrete cases is now piling up to reveal the problems of the present situation: from the experience of this month, perhaps Sahab, certainly Abu Nuseir, surely the demographic connections, and surely also the Marj El Hamam International Fair.

What these cases demonstrate, in practical and specific ways, is that public development agencies have been genuinely unaware of each other's developmental activities. This, to be sure, is generally the fault of none of them separately. They have no means of awareness. But the "system" is at fault. In that system, the responsibility of the central planning and control agencies is becoming increasingly apparent and clearly documented.

If the month has produced any progress in relation to this objective, it is a heightened appreciation of the sources of the existing chaotic state of public regional development activity.

We must note, however, an encouraging exception. The completion of the Queen Alia International Airport will entail a new urban settlement for airport workers, a transient hotel, travelers' services, etc. During this month, before the fact of selecting a site, the Department of Civil Aviation has sought advice from AURPG as to location, regional implications, etc. As a result, it will be possible to plan rationally for the new "airport town", to phase the provision of infrastructure, to program the services required. A viable, more efficient urban center can be expected.

III. The Development of Jordanian Capability

If the number of staff days devoted to this objective is a measure of our progress, we must have made great advancement. This would follow from the absence of half of the junior staff at DPU on SP 91, as noted previously. The syllabus of this course was summarized in the October report. Because of this major effort in London, and the resulting shortage of staff in Amman, little attention could be given to organized training activities here. The tutorial component continued through the joint work of the expatriates and the Jordanian staff. The seminar series on Thursdays was resumed for one session, conducted by Dr. Robert E. Mitchell (Nov. 23) on the topic, "Perspectives on Social Development of the Regional Poor."

IV. Problems, Proposals, and Prospects

Recurrent difficulties and conditions are apt in time to be accepted as given or necessary, by which point they are taken as normal. In most of the preceding reports covering this project, we have noted (and complained of) at least one continuous problem: that of staffing and recruiting professional personnel. This problem has plagued the enterprise from both sides, Jordanian and expatriate: it has hampered our progress, demanded an enormous amount of the time and attention of the few specialists available, thus also diverting the very limited professional resources at hand from intended and more productive applications. When the expected staff inputs are not supplied as scheduled, it would seem obvious that both the outputs and their timing are affected. The ability of those few on the job to compensate for such deficiencies has its human limits. But it also has its professional ones -- these because of the specializations involved in planning. (A sociologist is not equipped to assess the environmental impact of the discharge of industrial wastes into the Zarka Sea.) basically, there are only two rational and responsible responses to such a constraint: either: a) secure the professional re-

-2-

sources required or b) change the outputs themselves and/or their timing. To fail to do one or the other is to accept the "Catch-22" paradox noted in the October report.

In that report, we reviewed particularly the Jordanian staffing record. Some attention was given to the "delayed provision of the expatriate advisers sought," especially the lack of a long-term full-time regional economist/fiscal planner. This specialist has been badly needed. To date, only ten man-months, distributed between two long-term advisers (6 and 4 months) have been available. The presence of Dr. Robert Firestine, even on the brief basis of about seven weeks, has enabled us to undertake analyses that otherwise could not have been conducted, including the economic and fiscal components of the evaluation of the Abu Nuseir project. We also observed in the October report that one of the purposes of the visits then by the representatives from USAID/W was to consider "the recruitment of the Phase II short-term advisers." The record in this connection should be detailed somewhat, and extended to the present.

As in the case of the Jordanian professionals, staffing by the USAID advisers is based in the Phase I schedules and understandings. From the beginning, this project has been intended to be Jordanian, not American, in its roots and responsibility. Hence, the provision of such large proportions of the technical assistance budget to training and other activities associated with the third objective of the project, as reviewed in each monthly report. Hence also the provision of only four long-term expatriate advisers:

- 1) Senior Adviser / Regional-Urban Planner,
- 2) Urban Economist / Fiscal Planner,
- 3) Public Works Project Analyst / Planner, and
- 4) Regional / Urban Trainer-Planner

(This last position was converted in March, 1971, into the institutional contract with the ICI of University College, London, to supply the AURPG's on-site workshop sessions and short course training abroad.)

But whereas the original project budget of January, 1977, looked to only two long-term advisers for Phase II and three short-term specialists (Documents from Phase I, p.12), the final budget expanded the former to the four long-term advisers listed above and increased the three latter to an indefinite number to be provided later within the overall budget of \$700,000 to be "selected from among the following fields:

- economics
- public management/administration
- information systems
- legal
- employment (formal and nonformal sectors)
- industrial development (formal and nonformal)
- housing
- social services, e.g. health, education
- transportation
- urban design." (ibid., p.97. The document was prepared in July, 1977.)

It is within this latter list and the available budget that, after extended deliberations as to priorities within the AURPG, and the preparation of a "basic network" of Phase II activities, the "Phase II Short-Term Consultancy Needs of the Amman Urban Region Planning Project" (Sept. 20, 1978) were transmitted to the project officer, AID/J.

The presentation was detailed. It included:

- "(1) five annotated contractual scopes of work for short-term consultants...and
- (2) a basic network chart of the Phase II work activities, also annotated."

The specialists sought, for the periods needed within the network, were as follows:

- | | |
|----------------------------------|----------|
| • Information Systems Specialist | 4 months |
| • Planning Law Specialist | 5 months |
| • Urban Designer | 3 months |
| • Land Economist | 5 months |
| • Environmentalist | 5 months |

An earlier request for a named social science analyst had failed to secure the candidate sought for this position. For 6 months, was added, making six short-term advisers requested for 2. non-months.

In discussions within the Mission and with the USAID/W representatives, the "contracting options" were explored and debated until on October 16 the Director General, AURPG (on advice):

"recommended that USAID/J negotiate with the Development Planning Unit (DPU), University College, London, to provide these services."

Ten "options" which had also been explored and debated in extenso were itemized. The cable of recommendation and options was despatched from AID/J on October 28. However, in the exploration and debate prior to his departure on October 10, the Director of the Office of Urban Development predicted that the only acceptable method of contracting would turn out to be individual PSC's. But the responsibility and resources for identifying candidates and contracting with them were unclear. The representative from NE/TECH was certain that his office had neither. Nor did the Mission accept the responsibility.

Fresh questions arose, and were unresolved, as to what kind of PSC's in any event: USAID PSC's or host country PSC's. The difference was also somewhat ambiguous, except that in the latter case the Mission had less responsibility for providing administrative "support." Prior to his departure the Director, UD, had also cabled his office to commence a search for potential candidates for the short-term assignments, despite all the unresolved issues just noted, including responsibility for the recruiting function itself. As of the end of October, this part of the staffing record was at that point.

For the project, this was certainly a problem. It was then uncertain as to how, whether, or when the professional experts needed and scheduled for the Phase II work activities would be secured.

Option "A", however, of the cable of contracting options, provided that the Mission explore whether the British would finance the UK advisers under their existing assistance

program for Jordan. That exploration was made by the Deputy Director of the Mission and, after due consideration by ODM, London, and informal discussions with DPU, it developed that although the British could not meet all of the needs listed, they would attempt to supply some short-term advisers for shorter periods than the scopes of work listed. The terms of reference would also have to be reduced.

In the meantime, all other options concerning the contracting process were either rejected or discouraged by USAID/W save that of PSC's. The kind of PSC was unspecified. Lists of candidates and their qualifications began to be sent by the Director, UD, as early as October 22, and have continued to come throughout November.

On November 20, official confirmation of the British assistance was received. We then conferred with the Counselor of the British Embassy and learned that a social science analyst would be available, initially for one month from December 15, with a return visit of four to six weeks from April; and an information systems specialist would be available from January 1, again for an initial visit of one month, with a follow-up visit of four to six weeks. A search would be made for a planning lawyer; but it is at present uncertain whether an available candidate will be located.

The interpretation of this account must be somewhat ambivalent. The project, in its accustomed frustration over staffing, must be grateful for the Mission's ingenuity in negotiating bi-lateral (perhaps more accurately now, tri-lateral) assistance from the British. It is yet more obliged to, and impressed by, the generous and expeditious response by ODM. By contrast, as of the moment and nearly two and a half months after an extensively documented request (the general need for which was incorporated in a project document a year earlier), the 'contracting process' ODM will utilize remains unsettled. We hope that the partial transitional assistance supplied by the British will soon be followed by the scheduled American staff.

In the October report, we remarked that we were considering measures to resolve the "Catch-22" paradox into which recent developments had placed us. The events just reviewed clearly deepen that paradox. Next month, we expect to present an input-output schedule in which the delivery of "products" is conditioned upon the reasonable delivery of the necessary resources.

One resource which the month has seen withdrawn is the conscientious and diligent assistance of the Project Officer, Walter Coles. More than a resource has been withdrawn: a task has been in great part transferred to the management of the project itself. This burden is clearly a misuse of professional resources, the scarcity of which we have been repeatedly at such pains to demonstrate.