

FUTURE OF AFRICAN CITIES PROJECT

DISCUSSION PAPER 13/2018

Rabat and Salé – Bridging the Gap

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*Strengthening Africa's
economic performance*



RABAT AND SALÉ

Key facts and figures



Rabat is Morocco's capital, situated on the north-western coast. **Salé** is Morocco's third largest city and Rabat's sister city across the Bouregreg River

Population



Proportion of total population of Morocco: 4.16%

Contribution to national GDP

16%* Second most of any region; More than the regions of Marrakech and Fez

*For region, including Kénitra

Recent infrastructure developments

- Rabat Tower** Currently under construction; At 250 metres, will be highest skyscraper in Africa US\$375 million investment
- Rabat-Salé Airport** Expansion project worth US\$174 million underway
- Rabat-Salé Tramway** Opened in 2011; 19.5km long First tram system in North Africa Cost: US\$497 million
- Bouregreg Valley** Development project worth US\$496 million to 'bring Rabat and Salé closer together'
- Technopolis** Opened in 2008 by private company Created 13 000 jobs

Government

The 2011 Constitution launched a process of decentralisation, with fewer regions and greater autonomy

The Bouregreg Valley Development Agency serves as an example of a modern urban agency

Main economic activities

Education
5 universities, including Morocco's first public-private partnership university

Services
Mainly government

Formerly manufacturing
20 000 jobs lost between 2006 and 2010

Housing
Villes sans Bidonvilles (Cities Without Slums) programme
Introduced nationally in 2004; US\$3 billion budget aimed at improving the quality of life of slum households
Achieved a near 50 per cent reduction in the number of slum dwellers as a proportion of the urban population nationally

Service provision

Delivery mainly through concessions to private sector providers. Al Assima is an intermediary organisation that was created to manage all private sector service delivery contracts within the region

Electrification:
98 per cent coverage

Waste management:
One site, Oum Azza, recently upgraded to fully-operational sorting and landfill facility

Water provision:
Sidi Mohamed Ben Abdellah Dam on Bouregreg River, recently upgraded, supplies the region including Cassablanca

Executive Summary

The twin cities of Rabat and Salé on Morocco's west coast embody prominence in Morocco's past and present, Rabat as capital and Salé as the third most populous city. Less than 20 years ago, however, Salé was characterised by large slums, high unemployment, poor service delivery and limited mobility. Today, it is a changed city, providing housing to the majority of Rabat's working class, with a modern tram linking the two cities.

Morocco's 'Cities without Slums' programme, launched in 2004, has changed the face of cities across the country. With 60 per cent of the population now living in urban areas, this heroic effort, underpinned by strong economic growth, offers lessons to other African cities facing rapid urbanisation and social unrest. In Rabat and Salé, a shift towards decentralised governance and a clear focus on encouraging private investment in infrastructure projects have also contributed to rapid improvement.

This Discussion Paper investigates the success and shortcomings of Rabat and Salé in the areas of governance, security, economic growth, housing, transportation and service delivery. The story of these cities show that while history is important, it is not deterministic, and that with a combination of consistent urban policy, strong leadership and effective public-private partnerships, it is possible to turn a city around within 20 years.

Introduction

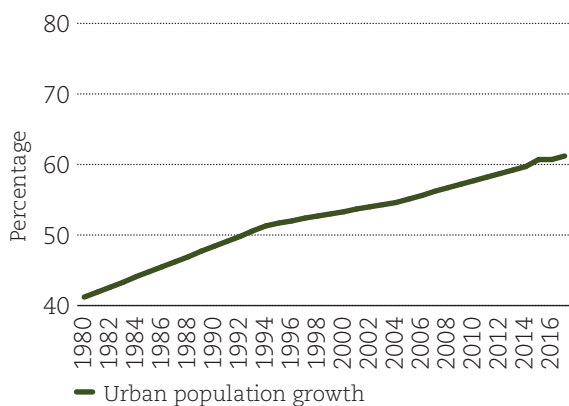
When Ridley Scott was looking for a location for his 2001 film *Black Hawk Down*, which depicts the 1993 US mission to capture a Somali warlord that went disastrously wrong, the original site of the event, Mogadishu, was deemed to be far too dangerous. Instead they shot the film in Morocco, with Salé’s Sidi Moussa district being transformed into the Somali capital and the 17th century Rabat medina becoming Mogadishu’s ‘Bakara Market’.

Today they would have to go elsewhere. Morocco’s slum removal initiative *Program National d’Action pour l’Urbaine Fabric*, launched in 2001, and the subsequent *Villes Sans Bidonvilles* programme ‘Cities without Slums’, launched in 2004, combined with an aggressive industrialisation and job creation strategy are dramatically changing the face of cities across the country. Such initiatives have been underpinned by strong growth in the economy averaging 4.3 per cent since 1999.

For Africa, where population numbers will double to 2.5 billion by 2050 of which nearly two-thirds are projected to live in cities, Morocco’s experience is instructive.

At independence in 1956, Morocco’s population was 10.5 million. Sixty years later it has more than tripled, now 34.8 million. This trend is flattening with population growth falling from a high of 3.3 per cent per annum in the late 1950s to 1.4 per cent in 2016. Urbanisation has been similarly rapid. At independence 29 per cent of the population lived in cities, now it is close to 60 per cent.

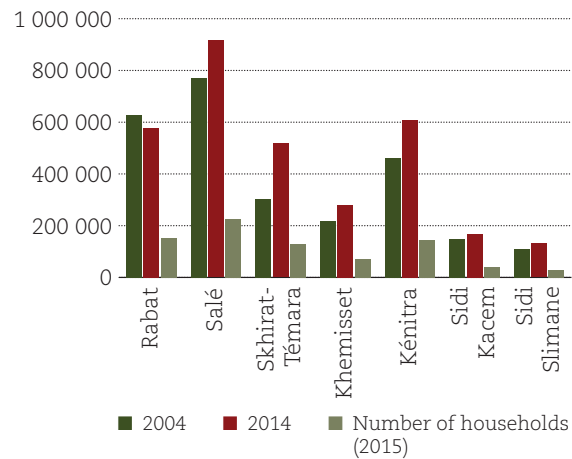
Figure 1: Morocco’s Urban Population Growth



Source: World Bank, *World Development Indicators*, (2018)

With a young, sometimes restive population, Morocco has to work hard to create the opportunities needed for social stability.

Figure 2: Urban Population Change in Rabat-Salé-Kénitra Region (2004–2014)



Source: Haut Commissariat au Plan, (2017)

Such challenges are nothing new. The focus following independence in 1956 was to deliver political stability and territorial consolidation along with basic infrastructure. In the process the government, led by the monarchy, had to confront huge social challenges. By 1981 as much as 60 per cent of the population lived below the poverty line, unemployment was at 20 per cent (perhaps twice as high among the youth), and 20 per cent of those in the cities lived in shanties. There were bread riots and other popular protests. Improved economic growth (driven by privatisation), multiparty elections and a 1996 trade agreement with Europe alleviated some of the building social pressure.

King Mohammed VI, who succeeded his father King Hassan II in 1999, embarked on widespread social and political reforms, freeing political prisoners, improving the position of women under the law, improving social conditions, and stimulating the economy.

Nowhere can this be seen more than in Salé, on the north side of the Bouregreg River from the capital Rabat.

Once a haven for pirates, Salé was the target of Western navies in retaliation for attacks on European traders crossing the Atlantic. Today its function is somewhat less dramatic; a satellite town to the nation’s capital. In its transition from

pirate town to dormitory, its one million inhabitants largely got left behind, where conditions were by the end of the 20th century more akin to Mogadishu than Rabat: large slums, high unemployment, lack of economic diversification – with textile factories providing the majority of jobs – and poor water supply and sanitation.

Now another transition is in progress. In the last 10 years the city has changed beyond recognition.

A smart, modern tram links Salé to Rabat, the cost of a single ticket being just 6 MAD (or US\$0.60). The slums have now largely been cleared and replaced with five-storey blocks of flats through a mix of public and private funding.

Salé now boasts a new ‘technopark’ modelled on the success of a similar enterprise in Casablanca. At the mouth of the Bouregreg River is a new Marina development, with high-priced apartments, restaurants, shops, sports facilities and, critically, fresh jobs. With a need to create jobs for 200 000 graduates every year, the pressure is on not just to plan, but to do.

‘There is a danger’, reflects Nizar Baraka, President of the Conseil Economique Social et Environnemental, ‘of sustainability and social cohesion. We need to guard against creating people without education, cities without green spaces, apartments without jobs’.

Without education, public transport, skills and jobs, slums could re-emerge around new housing developments on the city periphery. Baraka stresses, ‘We need sustainable urbanisation, and to integrate these areas into the city.’¹

In 2018, the Brenthurst Foundation conducted extensive research in the cities of Rabat and Salé in partnership with the OCP Policy Center. The project included over 60 in-depth interviews, 1 000 survey responses and select focus groups. The development of Rabat and Salé provides a dynamic case study of what it means to actively tackle the challenges of urbanisation and rapid population growth in the 21st century. The Paper examines the twin cities’ turnaround, following each sector of governance, economic growth, transport, housing and service delivery.

It is difficult now to imagine how such a modern looking city like Salé could, just 17 years ago, have been selected as a stand-in for battle-weary

Mogadishu. Today, it’s a city and a country in a hurry.

Setting the Scene

Although separated by the common Bouregreg estuary, Rabat and Salé took different historical paths. Rabat was made the centre of economic and political power, while Salé embodied the rebel city and *la ville doirtoir* – the place where workers go to sleep. This history was evidenced by Ridley Scott’s choice in 2001. Nearly two decades later, efforts have been made to change the power dynamics and bring the cities closer together, such as integrated service delivery. Yet, these have not been enough. ‘It is difficult to undo 200 years of neglect in 20 years of development,’ shared historian Mohammed Krombi.

Rabat was made the centre of economic and political power, while Salé embodied the rebel city and *la ville doirtoir*

At its founding in 1030, Salé was the dominant city, boasting a tight-knit community led by prominent Moroccan elites. Things changed at the turn of the 20th century when French colonisers introduced *la ville nouvelle*² policy, choosing which cities would advance into the new era. ‘Salé had strong thinkers that drove a resistance against the French,’ said Hassan Benzalla, Director of the Salamoustaqbal Association – an organisation representing residents in Salé – ‘this is why it was historically isolated’. Salé did not receive a *ville nouvelle* status. Rabat, in contrast, did – it was dubbed Morocco’s capital and enjoyed an injection of fresh investment, enticing the relocation of many of Salé’s elites. ‘Salé only survived and grew because of its proximity to Rabat,’ noted Krombi. Many Moroccan cities that were not *villes nouvelles* have since perished.

By the 1990s, post-independence, Rabat grew into a concentrate of jobs and services with a

network of satellite cities fast developing on its periphery, including Salé, Temara, Tamesna and Kénitra. Today these cities are reservoirs of skilled human capital, offering cheaper property and living costs than Rabat, but fewer amenities and services. This dynamic has spurred a daily commuter-culture into Rabat, justifying the need for strong transport links like the tramway. Interestingly, the population of the satellite cities continues to rise, while Rabat's population, constrained by city boundaries and restrictive planning regulations, has remained stagnant.



Viewed as the small town next to Rabat: Rabat's population sits at 577 827. Salé, Morocco's third most populous city, has almost double this.

Rabat remains Morocco's showpiece; Salé exists in its shadows. This is embodied in the 2014 naming of Rabat as *La Ville Lumière*³ by King Mohammed VI, a 450 million MAD cultural project⁴ from which Salé will benefit by proximity. Still, the Moroccan government has had to actively temper the disparities and tensions between its cities. One such response has been to ensure that Morocco remains secure from violent extremism.

The Security Imperative

In a post-9/11 global order, security has been a key driver of Morocco's development success. The 2003 Casablanca bombings, the deadliest attack in the Kingdom's history, followed by an Arab Spring in 2010 raised insecurity to a level of national imperative, forcing the King to take action. This set in motion a series of policy changes to tackle the basics.

Morocco sits in a region prone to instability and Islamic terrorist activity.⁵ On 16 May

2003, Casablanca was hit with coordinated suicide bombings across five different locations. The attacks killed 33 civilians and 12 of the attackers, injuring hundreds more. The attackers, reportedly members of the Al-Qaeda-aligned Moroccan Islamic Combatant Group (MICG), were all in their early twenties and lived in the slums of Sidi Moumen, Thomasville and Carriere Thomas on Casablanca's periphery. Most of them were poorly-educated and unemployed.⁶ This shone a spotlight on the vulnerability of low-income Moroccans living in *bidonvilles*⁷ to radicalism, placing human development at the centre of anti-terrorism.

Within weeks of the attack, dozens of suspected extremists were arrested and the country's religious system was restructured to embody moderate Islam.⁸ The King then launched the National Initiative for Human Development (INDH) in 2005 to uplift poor Moroccans and limit their vulnerability to terrorist groups.⁹ INDH comprised targeted programmes through public-private partnerships. The *Villes sans Bidonvilles* is one such programme. Five years after launching, INDH had improved 264 urban areas and 403 rural.¹⁰

In December 2010, after Tunisian street vendor Mohammed Bouazizi's self-immolation, the Arab Spring erupted across the region. The following May, thousands of Moroccans took to the streets to protest the country's social ills. The King quickly announced major democratic reforms, including a new constitution and the choice of a Prime Minister from the opposition Islamist Justice and Development Party (PJD).¹¹ King Mohammed VI's moderate and proactive administration, in stark contrast to that of his father, assisted Morocco to dodge the Arab Spring.

Morocco's response to rising insecurity reveal how immediate action by those in power and clear, strong policies can affect real change, even if the odds are stacked against you. Today, our polls show that Moroccans feel safe in their homes and neighbourhoods, and crime has been subdued. Morocco has been secured by vital governance structures, laying the foundation for the development of cities like Rabat and Salé.

Governance

Morocco’s governance structures have been a key enabler of the country’s development goals. The 2000s were marked by active reform and decentralisation that has seen the country move towards a more democratic model whilst retaining a strong central state.

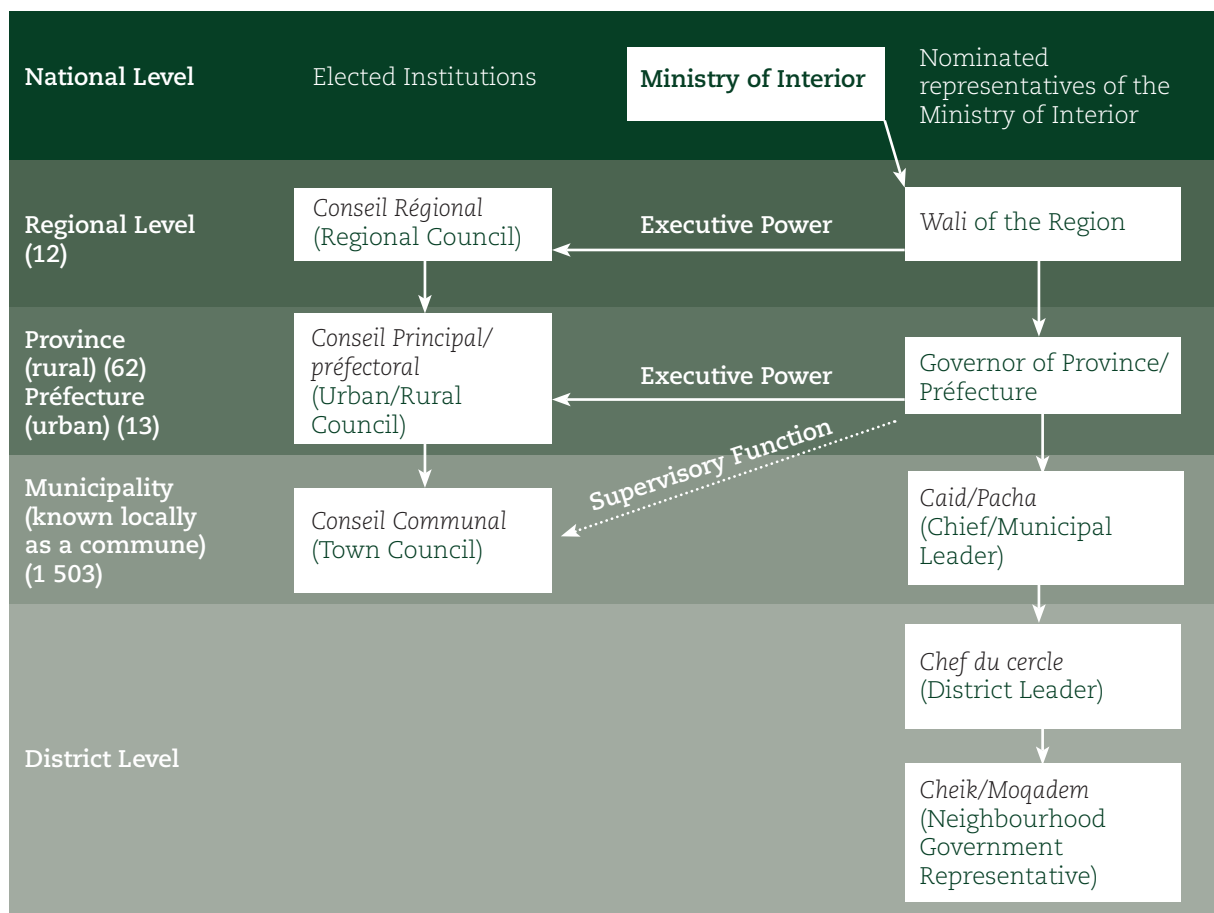
Officially, Morocco is a parliamentary constitutional monarchy with both appointed and elected officials. The country has gone through three major governance reforms over the last half century, first in 1976 when municipalities were recognised as legal entities, then in 1997, when regions were established and, most recently, in 2011 when the new constitution launched the first stage of *la régionalisation avancée* (advanced regionalisation), a process of decentralisation. This reduced the number of regions to 12 and created commissions to coordinate the many actors in the process. The King recently announced his intent to move to the second stage, which gives even more autonomy to the lower levels of government.¹²

The Ministry of Interior remains the backbone of governance in Morocco. It supervises urban development and other strategic sectors of the economy, and oversees various officials and local government institutions. The Ministry sets the long-run development vision for the nation, with its head appointed directly by the King. As the Director General of Local Communities, Wali Khalid Safir, said, ‘politicians, when they come into power, they have programmes and clear objectives that they need to achieve as soon as possible. The representative of the government has no deadlines, they are there to protect and serve citizens and make sure that what is going on is equitable.’

Morocco now comprises 12 regions, 62 provinces, 13 préfectures¹³ and 1 503 municipalities, known locally as communes. At each level there are both elected and appointed government officials. Notably, in 2011 democratic reforms to the constitution placed much greater authority and financial resources in the hands of elected officials.

Figure 3 below illustrates Morocco’s governance framework.¹⁴

Figure 3: Levels of Governance and Decentralisation in Morocco



At the municipal level, the fourth layer of Figure 3, urban agencies have been established to manage the administration of services and projects in Moroccan cities. These agencies each have a specific goal, allocated resources and are given considerable freedoms to achieve their objectives. The Bouregreg Valley Development Agency, discussed in the text box on page 10, is an example of the modern urban agency.

Urban planning is centralised through the *Conseil Supérieur de l'Aménagement du Territoire*,¹⁵ the second layer of Figure 3, which retains decision-making prerogatives for the entire region, operating under the Ministry of Interior. Elected local officials have a minor role in shaping critical urban policies.

Urban Finance in Morocco is significantly centralised with funds for capital expenditure and running costs disbursed by the central government as transfers, grants, loans, or centrally-managed municipal tax revenue. This centralisation leaves municipalities with little space for fiscal autonomy.

Balancing resources and responsibilities between préfecture and regional levels remains a challenge. The recent constitutional reforms gave more financial power to the regions, allowing them to raise capital from various sources as well as ensuring that, by 2020, 30 per cent of VAT and 5 per cent of company taxes will be allocated to them. However, responsibilities have not been realigned to match this, creating an imbalance. 'Regions have already been allocated financial resources without the requisite responsibilities, while préfectures have the responsibilities with less financial resources,' a World Bank official confirmed.

Urban development in Rabat-Salé has been able to deliver against a long-term plan for the region, largely thanks to the strength of Moroccan institutions and the ability of the Ministry of Interior to execute the will of the King. This combination of a monarchy and a long-run political horizon has provided the ever elusive 'political will', ensuring a tight focus on delivery, and the clout necessary to obtain resources and overcome obstacles. However, political will is only one ingredient in Morocco's success story, another key input

has been the country's economic development, discussed in the following section.

Economic Growth

Over the last 17 years, Morocco has seen a dramatic increase in economic growth and diversification. Its GDP per capita has grown from less than US\$1 972 in 2000 to US\$3 292 in 2017, a 67 per cent increase in less than 20 years.¹⁶ A significant part of this growth can be attributed to the King Mohammed VI's focus on opening up Morocco to the world. Between 2000 and 2016, the rate of the economic openness increased from 49 per cent to 62.2 per cent – higher than other middle income countries like South Africa, Turkey and Brazil, with rates of 57 per cent, 42 per cent and 19 per cent.¹⁷ This was achieved through macro-economic policies that focused on diversifying exports to include textiles and manufactured goods, attracting foreign investment through agreements with major economic centres such as the EU and the US, promoting tourism and subsidising the development of off-shoring industries and incubators.¹⁸

This combination of a monarchy and a long-run political horizon has provided the ever elusive 'political will', ensuring a tight focus on delivery, and the clout necessary to obtain resources and overcome obstacles.

These changes were implemented at both the national and local level. The cities of Rabat and Salé show how Morocco's economic reforms have been implemented in an urban context.

Rabat has historically been the heart of economic activity in the region. Its economy is largely services- and education-based, boasting numerous

The Bouregreg Valley Development Agency

'The divisions existed in people's minds, a result of historical rivals in the Kingdom where rebellious royal cousins fought for the throne from Salé,' asserts archaeologist and historian Mohammed Es-Semmar. Though Rabat and Salé are separated by a river, they have always operated as one. This idea captured King Mohammed VI's attention and supported his 2004 vision of bringing the two cities together again through the birth of the *Agence pour L'Aménagement de la Vallée du Bouregreg* (AAVB).

Established by *Dahir* (royal decree) in November 2005, the AAVB is governed and funded by an administrative council¹⁹ under the supervision of the Ministry of Interior.²⁰ It has authority over the Bouregreg Valley territory that lies between the two cities, and a mandate to bring Rabat and Salé together through major investment in infrastructure and cultural projects.

The AAVB is an agency mandated by the state, but outside of traditional hierarchies and processes that hamper government departments. It is a quick and nimble unit with the authority and means to pursue complex tasks such as the development of seven new bridges between Rabat and

Salé, the Oudayas tunnel, the Rabat-Salé tramway and the Bouregreg Marina.

The AAVB has been used as a mechanism to pursue the high-profile projects that require coordination across a number of government departments and they currently spearhead the development of Rabat and Salé's newest cultural landmarks, Zaha Hadid-designed Grand Théâtre de Rabat and the tallest tower in Africa, dubbed the 'Rabat Tower'.

The Agency acts as a developer and investor, with the prerogative for urban planning at the municipal level. It has the authority to issue development permits and to regulate all land transactions. The only exception is that AAVB does not appropriate land belonging to Rabat and Salé, and local taxes from the valley are still paid to the respective municipalities.

The AAVB has turned the Bouregreg Valley into a tourist destination and a commercial enclave. However, some critics have raised concerns that the agency has prioritised vanity projects that fail to address the pressing social needs of the region. Nevertheless, the organisation's key benefit has been in its ability to mobilise funds and complete complex infrastructure projects.



New apartments overlooking the Marina breathe life into old Salé



Modern Morocco: Designed by the late Zaha Hadid, the Grand Théâtre de Rabat promises completion in early 2019 (plans above, building progress below)

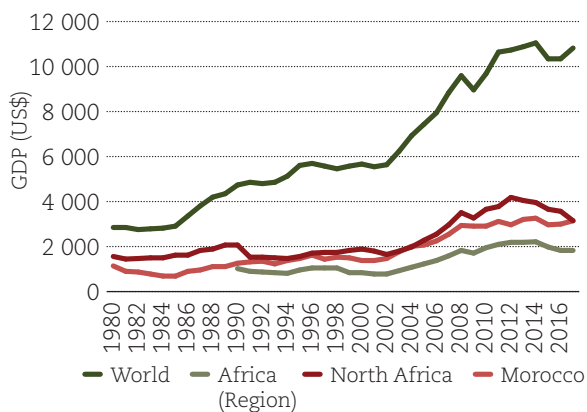


Bridging the gap: The 1.2 km-long Hassan II Bridge brings Rabat and Salé closer together



higher education institutions, with almost all government offices and foreign missions choosing the city for their headquarters. Sixty-one per cent of Rabat’s residents who responded to our surveys agreed that the quality of state education was better than elsewhere in the country and the availability of skilled labour was listed by the majority of respondents (71 per cent) as the main facilitator for starting a business in Rabat or Salé.

Figure 4: GDP Per Capita



Source: IMF Data, (2018)

However, the high cost of land within city limits has prevented the development of non-service-based industries. As such, the city has leveraged its comparative advantage to become the regional services hub with the majority of its economic output coming from Government Administration and the service industry.

In contrast, the satellite towns surrounding Rabat, such as Salé, have been identified as sites to expand industrial activities, with production in textiles, construction materials and food processing sectors.

Salé once boasted a vibrant textile industry. However, at the onset of growing competition from low-cost Asian manufacturers, many operators in Salé’s textile sector were unable to survive and between 2006 and 2010 nearly 20 000 jobs were lost.

Some companies however, such as Thirteen AMP Morocco, a member of SOMITEX Textile Group and the largest textile company in Salé, were able to find innovative ways to withstand the tough market conditions. Abdelhai Bessa and Wafaa Benchekroun have been working together

as a husband and wife duo since 1991, employing 1 400 workers in two Salé factories and producing 1.2 million garments a year. Their staying power lies in being selective on products and ensuring high quality. ‘We have to choose what we do and do it well,’ said Bessa – these efforts have rendered Thirteen AMP the last textile company in Morocco to supply Marks and Spencer (M&S).



Surviving the textile bust: The husband and wife duo, operating in Salé textiles since 1991

But while the duo would never leave Salé, the challenge is ‘to consistently develop and grow. We want to keep the business for our sons to take over.’

King Mohammed VI has adopted a pro-business approach that aims to achieve a balance between the public and private sector. Dari Couspate in Salé can attest to this change. A family business in couscous and pasta products started by Mohamed Khalil, now run by his son Hassan, Dari Couspate has been operating in Salé for the last 15 years. Although it was originally tough trying to run a 24-hour food processing factory in a region where very few businesses operate at such scale, Mohamed notes they stuck it out because, ‘our DNA is in this area. We would never move.’ Things under the new government have eased so much that Hassan feels business owners are no longer ‘just viewed as a taxpayer. There is more mutual respect.’ This has enabled the opening of a new factory just 2km away.

Salé has benefited from the national focus to attract foreign investment, through the establishment of Technopolis. Technopolis is an industrial park operated by the private company, Casanearshore on the edge of Salé. Casanearshore

started as the first instance of government subsidy in offshoring in Casablanca.²¹ The project saw government subsidise the creation of modern office spaces and the training of new employees in order to attract modern industries. The success of the first project led the government to propose a second such operation in Salé. Opened in 2008, Technopolis consists of internationally competitive office spaces for outsourcing services and high-tech industry as well as a manufacturing free-zone. In its decade of operation the park has been able to attract international companies like LEAR, Amazon, as well as to create over 13 000 direct jobs.



Attracting foreign investment since 2008

Technopolis, alongside the Université Internationale de Rabat (located in Salé) and large-scale projects by the Bouregreg Valley Development Agency on the Salé side of the river, show the efforts to diversify economic activity across the region.

Eighty-five per cent of residents polled believed that economic growth has led to improvements in the city over the last four years. Through its strategy to replicate national goals at the local level, Morocco has been able to create the conditions for sustained economic growth.

Infrastructure

The development of the twin cities has largely been propelled by housing and transport projects that, not without their flaws, have enabled greater access to decent amenities and better economic

opportunities for low-income residents. Rabat and Salé have developed a clever concessionary system that integrates the private sector to deliver municipal services, from which other African cities could learn.

Housing

Inaugurated in 2004 by King Mohammed VI, the *Villes sans Bidonvilles* (VSB), or Cities without Slums, is an ambitious plan to rid Moroccan cities of squatter settlements by 2010.²² *Bidonvilles* have been a feature of Moroccan urbanism since 1918. Despite various attempts since 1948, the 2003 terrorist attacks placed urban housing on the national agenda.

During a speech in 2006, the King expounded on his vision for the VSB; 'What we definitively envision is not just cities without slums, nor to substitute slums with soulless concrete blocks, impervious to sociable lifestyles. We understand, rather, that it is to transform our towns into spaces apt for social interaction, warmth and dignity and, while turning cities into investment and growth poles, we ensure that they remain attached to their own specific and original style.'²³



Eradicating slums: VSB strove to improve the quality of life for 327 000 slum households across 83 cities, affecting approximately 1.6 million people

Administered through the Ministry of Housing and Planning alongside Al Omrane, a state-owned housing utility, VSB aimed to eradicate slums in 83 cities. The plans were initially scaled according to need. It was estimated that 30 per cent of current housing structures were in sufficient condition to qualify for *in-situ* upgrading, but the remaining 70 per cent would require relocations on new plots. Initial provisions were made for the resettlement of 150 000 families over five years. Very low-income residents (10 per cent) were provided with completely free housing, while the remaining 90 per cent received

housing units at a subsidised rate, paid directly or through a mortgage.²⁴ US\$3 billion was set aside for the project, with the Moroccan state providing US\$1.2 billion and the rest mobilised through investment. UN Habitat, the World Bank and the *Agence Développement Française* (AFD) offered support.²⁵ Almost half of our poll respondents agree that housing in Rabat and Salé is better than elsewhere in Morocco.

By 2010, VSB had only been able to clear 32 cities, decreasing the slum population from 8.2 per cent of total urban population in 2004 to 3.9 per cent. This resulted in the project's extension to 2015. At present, there are 58 cities that have been declared 'slum-free' and the project has been further extended with no clear end date.

VSB has not been without conflict and challenges, as the story of Tamesna (page 14) highlights.

Observations on Housing

Overall, the VSB programme has faced some major challenges in its process of resettlement. VSB actively pursued a policy of involuntary removals that have displaced communities today. Though, as in Tamesna, there were original plans to develop additional economic and social infrastructure, those plans have often fallen short due to the inability of Al Omrane to enforce the contractual obligations of private actors. This has led to conditions that could potentially create some of the challenges experienced in the Cape Flats, Cape Town, South Africa. Here, large-scale new housing developed without requisite socio-economic infrastructure to support a thriving community, resulting in the 'ghettoisation' of the area, with increasing gang violence.

VSB is a programme that has been lauded internationally for its ability to deliver decent quality housing to citizens who would have otherwise been excluded. The programme utilised the power of PPPs to increase the level of housing stock available to low-income residents – a lesson worth learning for other African cities facing limited housing stock. However, it also points to the dangers of failing to get the social factors of mass housing right. This can create a ticking time

bomb of unrest. Housing is a complex sector that requires nuanced solutions that the VSB did not quite provide.

Transport

Transport lies at heart of the twin cities' success. The Rabat-Salé Tramway, introduced in 2007 has changed the way residents move, with 77 per cent of poll respondents reporting that public transport is affordable. The Tramway illustrates that with proper planning and clever private sector collaboration, large scale transport infrastructure can be built in African cities to improve urban mobility and unlock benefits for local economies. In turn, smaller scale transport providers will adjust to fill the gaps.



A vital service: At peak hours, blue petits taxis can transport nearly 60 per cent of city commuters

In 2008, Morocco's new national strategy for urban transport allowed transport operations to be agglomerated.²⁶ This led to the creation of Local Development Companies (LDCs) and the expansion of private sector investment through organisations such as Tramway Company of Rabat-Salé and Stareo, a Moroccan bus company. Public funds were made available, in particular the Hassan II Fund and a special urban transport fund known as FART.²⁷

In 2009, bus contracts were concessioned to a subsidiary of Veolia Transport. It was an ambitious project to provide new buses and dedicated bus lanes, as well as train and employ 3 000 staff.²⁸ However, this did not go as planned. After operating for 18 months, Veolia withdrew from the contract and a new operator, Stareo, took over the 15-year contract. Stareo absorbed the existing vehicles and staff, renewed the bus fleet and restructured the bus network routes. However, after a failed

The Case of Tamesna

'There's no community here, everyone closes their doors,' said Bisma, a middle-aged woman selling second-hand clothes on one of Tamesna's busiest streets. Bisma, who moved from Skhirat to Tamesna, told the story of how she had committed the majority of her life-savings into a deposit on a new home in Tamesna. She was promised a house and a fully serviced community. However, when she inspected the property, she found that it did not meet her requirements. She tried to retrieve her money, but after an appeal she had to choose between a portion of her deposit or taking the apartment. Bisma chose the apartment, and is now deeply unhappy in Tamesna, where she says the community is 'living like savages' without adequate public services.

In March 2007, King Mohammed VI launched the construction of the new city of Tamesna.³⁰ 250 000 housing units were proposed for a diverse array of income groups, with additional provision of plots of land. The project was led by Al Omrane and relied heavily on public-private partnerships (PPPs). However, in 2005, private sector interests instead turned plots of land into the provision of apartments with a view to maximise profit.³¹

The housing provided by the Tamesna project was intended as a mix of social, economic and market-related housing. The social housing was earmarked for recipients of the VSB programme with a pricing cap of 120 000 MAD (approximately US\$12 500) per housing unit, the economic housing was capped at 250 000 MAD (approximately US\$26 000) and only available to families who could prove that they did not own additional property. However, a number of the residents we interviewed complained that, though they had agreed to a price beforehand, they felt they were paying double and were very unhappy with the service provision in Tamesna. By 2016, only two-thirds of the targeted residents had moved into the new apartments. The construction of supporting social infrastructure has lagged, despite contractual obligations by the developers.³²

The formal economy of Tamesna has, so far, failed to take off and the city's economic infrastructure remains predominantly informal. It has become a place of refuge to informal workers and migrants. During our interviews, we met two young Ivorian teenagers who had set up a shoe repair store, part of a significant community hoping to make the crossing to Europe from Morocco. There are hardly any formal public transport links to Tamesna, forcing residents to take multiple modes of transport to work, hospitals or schools – an expensive ordeal indeed. Nearly 90 per cent of poll respondents felt that housing projects, like the city of Tamesna, urgently need to be improved.



The city of Tamasna, in the rural region of Sidi Yahya Zaer, 20km from Rabat, has failed to deliver what it promised, including supporting social infrastructure

attempt to renegotiate tariffs, Stareo was forced to file for bankruptcy, leaving the bus system in Al Assima's control, a local government agency.²⁹



Not a functioning bus system: Stareo recently filed for bankruptcy after 15 years in business

In the absence of a fully functional bus system, other modes of transport have filled the gaps. Rabat and Salé have a vibrant taxi system made up of large white *grands taxis* for inter-city travel and colour-coded *petits taxis*, that are only allowed to travel within designated city boundaries. The taxis are privately owned but administered through driver collectives. They are regarded as a vital auxiliary support system offered by the private sector. Still, traffic remains a problem. 75 per cent of poll respondents state that this needs urgent improvement.

The Rabat-Salé Tramway remains the region's great success.

The Rabat-Salé Tramway

In 2005, as part of the transport development mandate of the AAVB, new transportation studies were conducted for the Rabat-Salé region. According to Mohammed Souafi, a member of the *Commission Consultative de la Régionalisation*, 2007 was the first time that the elements of political will, financing and operational tools such as PPPs came together to create a viable opportunity for large-scale investment in transport.

Construction began on the tramline in 2007. A subsidiary of the AAVB, the *Société du Tramway de Rabat Salé* (STRS), was formed in 2009 to manage the implementation of the tram project and subsequent expansions. Houda Drissi, the Project

Manager for STRS, remarked, 'at the start of the study, it was thought that transportation was only needed in the Bouregreg region but during the study, we realised that it needed to expand to the general areas of Rabat and Salé.'

The financing for the tram was secured through a 50-50 split of government funding and international development loans. The money from the government came through the FART fund, while global funds were acquired through the EU Bank, EIB and AFD with Natixis financing the tram wagons. Repayment began five to seven years later, with a term of 20 to 25 years.

One of the keys successes of the tram has been the concession agreement developed with Transdev, a French company with a 30-year contract to operate the tram system. Enacted in 2011, the contract gave Transdev the responsibility to operate the tram, from ticket sales to wagon maintenance. The contract stressed training and skills transfer. Now, only six years later, engineers such as Mohammed Ihrou feel that local operators have developed the technical skills to operate the tram successfully. 'Six years since the tram started operating we are now competent on our own ... the trams are assembled here, and we also manufacture some of the spare parts locally,' he said.

Transdev operates 22 trams, acquired for 40 to 45 million MAD each, with a life-span of 30 years. Tickets can be purchased at each tram stop with conductor checks per wagon. In 2017, Transdev was able to cover over 96 per cent of operational cost from ticket sales alone. The tram services about 110 000 passengers a day and more than 32 million passengers a year.



Proudly Moroccan: Transdev employs 312 locals to operate the Rabat-Salé tramway

The tram is widely viewed as a success. It is one of the projects that has been able to strike the balance between promoting the vision of a world class city and serving the needs of its citizens. A plan is currently underway to expand the tram by 7km to serve all the main routes into the city and its surrounding areas, such as Hay Riad, Temara and Salé El Jadida, at an estimated cost of 1.7 billion MAD.

Observations on Transport

Rabat-Salé has largely gotten urban transport right, with the Rabat-Salé Tramway as the beacon of excellence in the sector. The management and capacity of public transport systems have largely been improved by the creation of transport entities and the right financing mechanism. This combined public and private funding, mobilised through the use of concessions to private companies.

Developing local technical capacity has been crucial to the outcome of projects, seen in the failure of the bus system versus the success of the Rabat-Salé tramway – which is now self-sustaining just six years after its launch.

Nevertheless, Rabat and Salé still face the challenge of densifying to support effective, efficient and affordable public transportation. As Fathallah Oualalou, former mayor of Rabat, noted, ‘the deficit of the bus system encouraged the growth of the informal sector ... They will remain until there’s a successful modern transportation system, the tramway isn’t enough. The tram costs more than informal measures, so it’s important to develop transport.’

Service Delivery

In order to address the need for effective service delivery in urban centres, Morocco has experimented with private sector concessions as the main mode of delivery for municipal services, such as electricity, water and waste management.³³

Casablanca was the first Moroccan city to adopt concessions in the late 1990s, followed by Rabat by the early 2000s. The region of Rabat-Salé and Kénitra developed the novel solution of a regional coordination body, *Établissement de Coopération*

Intercommunale (ECI) Al Assima (henceforth Al Assima), to manage the concession process.

Founded in 2011 by a royal decree, Al Assima manages the contracts for municipal service delivery, providing clarification on the different roles of the municipality and concessionaire. It oversees concessionaires’ performance and implements various penalties for non-compliance. Al Assima is a division of the Ministry of Interior and reports to the regional municipalities. It is directed by a 43-member council consisting of the 17 elected presidents from the municipalities, as well as 26 members that are proportionally representative of each municipality.

The introduction of private contractors in the final stage of service delivery has improved the quality of services provided to citizens. However, the trend has also led to an increase in the cost of service provision to municipalities. Wali Khalid Safir reiterated however, ‘If we had continued to self-manage, it would be worse, in terms of quality.’

Electricity Supply

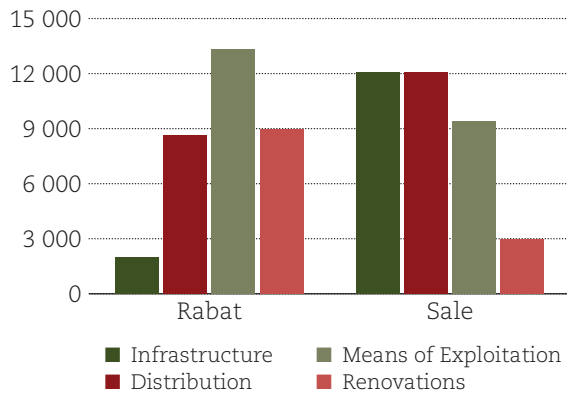
Electricity is no longer an issue in the region. At present, electrification rates are at 98.96 per cent and the final 1.04 per cent who cannot access the service are in rural areas and served by off-grid energy solutions. Our poll revealed that 77 per cent of residents reported an improvement in electricity supply over the last four years, and 89 per cent felt that it is sufficient.

The introduction of private contractors in the final stage of service delivery has improved the quality of services provided to citizens

Generation and transmission within the Moroccan electricity supply industry is controlled by the national operator ONEE. In the case of Rabat and Salé, however, distribution has been contracted to the private French company Redal, a subsidiary of Veolia. In 2000, Redal won a 30-year contract

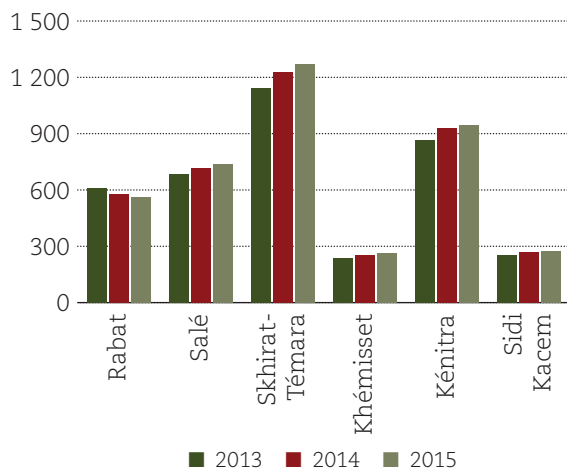
to provide the distribution services for Rabat and Salé. Pricing is calculated as a fixed percentage of the tariff over the period of the contract, with the tariff set by the Ministry of Interior and subject to review upon upstream changes in production costs. The contract is performance-based and reviewed by Al Assima every five years.

Figure 5: Investments in Electricity (in 1 000 MAD)



Source: Haut Commissariat au Plan, (2017)

Figure 6: Electricity Sales in Rabat-Salé-Kénitra (in millions kilowatts)



Source: Haut Commissariat au Plan, (2018)

Redal operates a metered system with very few prepaid meters. Nevertheless, it has been able to obtain a 100 per cent collection rate for private citizens due to their ability to cut off buildings and households for non-payment.

The process of concessioning public infrastructure services was one of considerable trial and error. As one Redal employee mentioned it

was only possible through, ‘clear fixed objectives, adequate control mechanisms, sufficient indicators and detailed contracts.’

Prior to the concessionary system, municipalities held the distributor role, but this led to significant challenges as many municipalities, especially smaller ones, did not have the technical ability to deal with complex distribution issues.

When the private companies entered the market, they had to make significant investments to the distribution and customer service infrastructure. These investments have proved profitable in the long run.

Rabat and Salé have been able to crack the code of efficient distribution by providing cost-reflective tariffs to consumers that enable the smooth functioning of the electricity supply system.

Water Services

Morocco sits in a desert region. Yet, the country’s water supply is relatively secure, as a result of its aggressive national dam-building initiative 25 years ago. The Sidi Mohamed Ben Abdellah Dam on the Bouregreg River supplies Rabat, Salé and their satellite towns, and neighbouring Casablanca and Kénitra. In 2003, the dam was heightened by 5 metres to increase resilience to drought. As an additional resilience measure, the country has invested heavily in desalination and a project is currently underway to build the world’s largest desalination plant in Agadir, 550km from Rabat.

The administration of water resources in Morocco is split across four ministries: the Ministry of Interior responsible for municipal water supply with a legal responsibility to provide drinking water; the Ministry of Equipment, Logistics and Water, responsible for dams and water-related infrastructure; the Ministry of Agriculture, Forestry and Water, responsible for irrigation and soil erosion; and the Ministry of Energy, Mines, Water and Environment, responsible for pollution control and water resource management. ‘Despite this setup, there is little conflict between Ministries,’ an interviewee at the GIZ Water Programme confirmed, ‘as the roles in the environmental side and the user side of water are clearly defined.’

The supply of bulk water services in urban areas across Morocco is conducted solely by Office National de l'Eau Potable (ONEP), a subsidiary of ONEE. ONEP also distributes water to 500 small towns across Morocco, as well as creating the piped water network and treating sewage and wastewater. In Rabat, Casablanca, and three other large cities, however, water is supplied by ONEP and distributed by Redal through a concession.

Water supply was previously coordinated by an Inter-Ministerial Committee that was chaired and supported by the former King. But the Committee is defunct and has been replaced. The new Commission is working to decide on water priority issues, but remains committed to the supply of fresh drinking water to the urban poor as instructed by the King in his National Human Development Initiative (INDH).

As a country on the edge of the Saharan Desert, Morocco has long taken the management and preservation of its water resources very seriously. It has, so far, been able to keep pace with increasing demand. While rapid population growth is now levelling off, rising living standards and increased urbanisation will continue to drive higher demand. But there remain long-term initiatives in the programme to meet these challenges. Ensuring a viable water supply is both a national and a city responsibility, and governance arrangements need to reflect this reality. The arrangements in Morocco appear complex, but they have worked to provide adequate supply in a challenging region. In 2018, Cape Town nearly became the first modern city to run out of water. As those in office attempt to avert this situation, they would do well to study the Moroccan experience.

Observations on Municipal Services

What the Rabat-Salé metropolis has gotten right is the role of multiple, small concessions to provide a public urban service instead of one large, overarching contract as found in many other African countries. Small concessions allow many actors to operate in one sector, encouraging competition and efficiency, whilst minimising the effects of opaque, and often overpriced, public tenders. The introduction of Al Assima as a regional oversight body is an incredible initiative that removes

the barriers that prevent government from negotiating effectively with the private sector and ensuring quality service provision.

Conclusion

The story of Rabat and Salé is reflective of the changes that have shaped Morocco over the last 20 years. Theirs remains the tale of what happens when the process of development is conceived and led by local actors. Morocco's staggering growth marks the kind of progress that can only be achieved through consistent policy and fixed objectives.

The security threats of the early 2000s, with 9/11 and the Casablanca bombings, were the driving force to implement radical changes in the country's urban policy. The local *bidonvilles* had become breeding grounds for Islamic extremism and terrorist recruitment. Through extensive infrastructure projects in Housing, Morocco was able to declare 58 cities as slum free and drastically reduce the number of urban residents living in slums.

Not only was there considerable effort to move citizens out of slums, but the last 17 years have also seen investment into building cities where people want to live, with modern transport like the Rabat-Salé tramway, clean water and functional waste management. Rabat and Salé have managed to introduce these changes by harnessing the power of concessions in the delivery of municipal services.

The 2011 constitutional reforms paved the way for more democratic measures at the local government level. In the most recent iteration of advanced regionalisation, the Kingdom's commitment to increasing democratic participation and building a solid base of local government is deeply evident. However, Rabat and Salé continue to balance power between the bureaucracy, elected officials and ordinary citizens. The historical patterns of power embedded in the monarchy and state bureaucracy will take a while to undo.

Very few of these changes would have been possible without the economic growth Morocco has witnessed over the last two decades. In opening up

the economy and focusing on diversifying exports and attracting foreign investment, Morocco has been able to source the capital needed to pay for large scale infrastructure investment. The application of those goals at the regional level has been an additional boon and allowed for sustained growth over time.

A key factor that has shaped the realm of possibility in Morocco has been the level of political will. Throughout this period the Ministry of Interior has provided a long-term vision and has had the authority to carry it out across all spheres of governance. As Fathallah Oualalou, former Moroccan Minister of Finance and Mayor of Rabat, noted, Morocco did something unique when there was a

planning shift from ‘focusing on the small things to focusing on long term modernisation strategies.’

Black Hawk Down was based on the 1993 US military raid in Mogadishu: in 2001, eight years later, Mogadishu was still too dangerous a place to film a Hollywood blockbuster. Rabat and Salé were chosen instead. The scenes from Black Hawk Down bear no resemblance to the cities we see today. In a 17-year period, Rabat and Salé have moved from warzone proxies to thriving urban hubs. In the same period, Mogadishu remains unstable. The sheer scale of change in half a generation is something that few cities across the world have been able to achieve. It is this scale and rapidity from which other African cities can learn.

Endnotes

1. This was extracted from an op-ed titled *When Hurry Met Salé* by Greg Mills and Dickie Davis, with permission from the authors.
2. Literally meaning ‘the new town.’
3. Meaning ‘the City of Light.’
4. See <http://www.mapexpress.ma/actualite/opinions-et-debats/rabat-ville-lumiere-capitale-marocaine-de-la-culture-un-programme-ambitieux-pour-un-saut-qualitatif-dans-le-processus-de-developpement-local-maire/>
5. With a contingent of approximately 1 500, Morocco is considered one of the main exporters of foreign fighters to ISIS.
6. July 2008. Combatting Terrorism Centre at West Point. *Uncovering Extremist Violence in Morocco*. Available: <https://ctc.usma.edu/uncovering-extremist-violence-in-morocco/>
7. *Bidonville* is a French/North African term meaning an impoverished, informal dwelling, built largely with tin.
8. Article 41 of the Moroccan Constitution decrees the King *Amir Al Mouminine*, or Commander of the Faith. This tasks him to oversee national respect for Islam and guarantee free exercise of religious/cultural beliefs.
9. Assia Bensalah Alaoui. 7 July 2017. *Morocco’s security strategy: preventing terrorism and counter extremism*. Available <http://journals.sagepub.com/doi/full/10.1007/s12290-017-0449-3>
10. <http://www.indh.ma/en/presentation>
11. Nicolas Pelham. 2012. *How Morocco Dodged the Arab Spring*. Available: <https://www.nybooks.com/daily/2012/07/05/how-morocco-dodged-arab-spring/>
12. See <http://northafricapost.com>
13. A prefecture is predominantly urban; a province is a predominantly rural, they both sit directly under the regional level of government.
14. The progress in decentralisation realised so far was strengthened by the launch of National Plan for Strengthening Decentralisation (NRDP) in 2010 and dedication of funds and expertise for implementation.
15. This replaced the former Inter-Ministerial Committee for Planning.
16. The administrative council is represented by all key government officials; Minister of Interior, Wali, governors of prefectures, council presidents and director of the AURS.
17. Koenraad Bogaert. 2012. *New State Space Formation in Morocco: The Example of the Bouregreg Valley*. Available: <http://journals.sagepub.com/doi/10.1177/0042098011400770>
18. World Bank Data, see <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
19. See, *Summary of the 2018 Economic and Financial Report*, https://www.finances.gov.ma/Docs/depf/2018/summary_ref_plf2018.pdf
20. Steven, J. Freidman. 2010. *A Tale of Two Economic Developments: Tunisia and Morocco*. Available: <https://repository.upenn.edu/curej/120/>
21. Ibid.
22. World Bank. 2010. *Cluster Project Performance Assessment Report*. People’s Democratic Republic of Algeria Mortgage Finance Technical Assistance Project (Loan 7131-AL). The Kingdom of Morocco Housing Sector Development Policy Loan (Loan 7314-MOR). National Slum Upgrading Program (PSIA 36545-MOR) Report No.: 55427. Available Online: <http://documents.worldbank.org/curated/en/713801468052844398/pdf/554270PPAR0Box1ficial0Use0Only01061.pdf> [Accessed: 15 August 2018]
23. World Bank. 2010. *Cluster Project Performance Assessment Report*. People’s Democratic Republic of Algeria Mortgage Finance Technical Assistance Project (Loan 7131-AL). The Kingdom of Morocco Housing Sector Development Policy

- Loan (Loan 7314-MOR). National Slum Upgrading Program (PSIA 36545-MOR) Report No.: 55427. Available Online: <http://documents.worldbank.org/curated/en/713801468052844398/pdf/554270PPAR0Box1ficial0Use0Only01061.pdf> [Accessed: 15 August 2018]
24. Ibid.
 25. UN Habitat. 2010. Kingdom of Morocco, Al Omrane – *Leading Actor for Settlements Upgrading*.
 26. Third United Nations Conference on Housing and Sustainable Urban Development. 2014. *Morocco National Report*.
 27. FART is the *Fonds d'Accompagnement des Réformes du Transport routier urbain et interurbain*.
 28. See <https://www.veolia.com/en/veolia-group/media/press-releases/veolia-transport-wins-contract-operate-public-transit-greater-rabat>
 29. See <http://documents.worldbank.org/curated/en/632691468304811669/pdf/106390-ppar-P115659-PUBLIC-morocco-2016.pdf>
 30. Mariam Keep. 2017. *Local Responses to Slum Resettlement. The Case of Tamesna, Morocco*. Available: https://www.ideals.illinois.edu/bitstream/handle/2142/98532/Keep_Miriam-Capstone.pdf?sequence=2&isAllowed=y
 31. Ibid.
 32. Ibid.
 33. In the case of water and electricity, the concessionaire contracts are for distribution at the local level with the generation, transmission and purification administered by the government utility, Office National de l'Electricité et de l'Eau Potable (ONEE).