



Local Governance and The Municipal Sector

Challenges and Missed Opportunities

Riyadh as a Model

1418-1433

1997-2012

Abdulaziz bin Mohammed bin Ayyaf

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Translated by:

Dr. Yasser Elshstawy

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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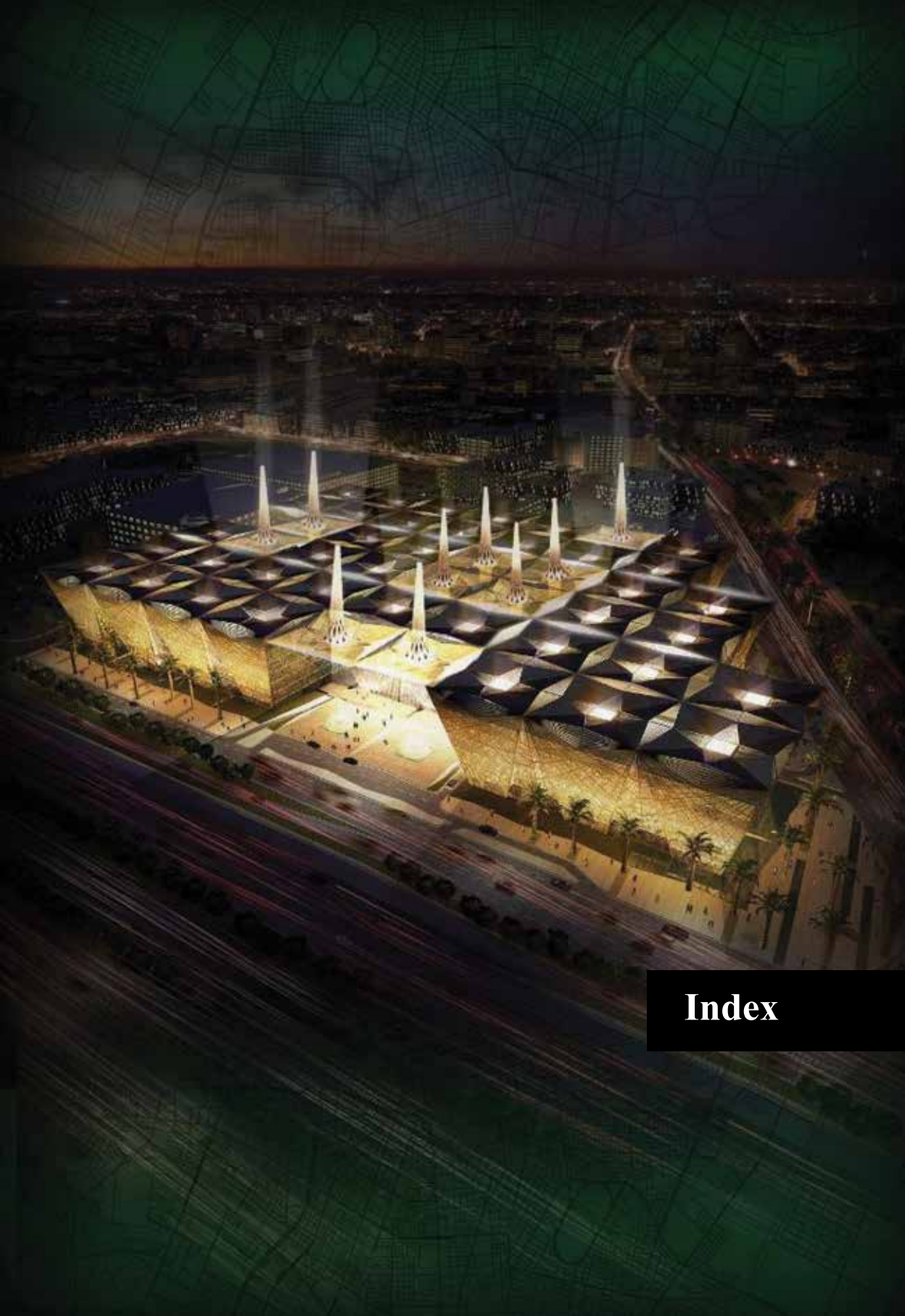
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Introduction

Urban management especially as it relates to municipal affairs was, and continues to be, among my main interests, both professionally and academically. I have spent 30 years studying and practicing urban planning and urban management. The first 15 years were dedicated to theoretical studies and teaching urban planning. At King Saud University, I was a student, then a teaching assistant. Later, I went on a scholarship for graduate studies at the University of Pennsylvania in the US. I returned to the university in 1992 as a Faculty member and was subsequently appointed as Chair of the Urban Planning Department. In 1997, I had the opportunity to spend another 15 years in a professional capacity, first, as Mayor of the city of Riyadh and subsequently the metropolitan region of Riyadh. Undoubtedly, I cherished the professional challenge greatly, since it provided an ample space to move from the world of theory towards the realm of praxis.

The position allowed me to work under the patronage of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz (Governor of Riyadh at the time)⁽¹⁾. This was an historic opportunity as I worked for 15 years under his command and direction. For more than 50 years, his brilliant presence as a positive actor on all the affairs pertaining to the nation was evident. He was an expert in all matters related to governance and administration, and a trusted advisor to the nation's leadership. Working under his guidance was akin to a continuous process of learning and training that was accompanied with a motivation for insightful thinking, hard work, and a zeal for distinctive achievements.

The city's success, witnessed by all, would not have been possible except for the efforts of Riyadh's architect and leader of its urban development for more than half a century, Salman bin Abdulaziz. He is our King, and the Governor of Riyadh, who remains in the heart of the city and its residents. I was blessed to work with him, and fortunate to learn and listen to his wisdom. With our leader we pursued a path of progress inspired by his vision. We loved it as he did, working tirelessly for years, with a lot of satisfaction, desire and enjoyment, much like sailors in a long voyage.

1) I will refer to HRH in the context of this book as 'Governor of Riyadh' except in matters related to his duties as Custodian of the Two Holy Mosques and King of Saudi Arabia.

The observer of King Salman's administrative biography when he was Governor of Riyadh cannot help but be impressed by his distinctive abilities. He is a bright man with a long and wide-ranging experience who employs a distinctive and unique administrative approach that integrates centralization and decentralization in a special way. Both are balanced by using them according to work demands, requiring specific delegation of authority and power while ensuring accountability. He contributed to Riyadh becoming a model to be followed and emulated by other cities. He thus can be rightfully considered the leading Governor and a pioneer of local management.

I witnessed how HRH championed local management and supported decentralization. This included how Riyadh Municipality, under his directives, conceived of Riyadh as a 'city of many cities' by establishing 15 administrative centers. Each is comprised of governmental branches for the governorate, municipality, judicial affairs, police, postal and passport services, and many others. The spatial domain of those administrative centers would thus constitute a city in its own right. Such a direction came about because of his supportive vision for local management, decentralization, and delegation of additional authority to governmental branches throughout the city. These pioneering ideas proved to be successful. As proof, we can see how many other cities in the Kingdom have now begun to emulate what Riyadh has implemented by way of developing its administrative and developmental capacities over decades.

I do not believe that there is any other city on earth which benefited from a relationship similar to what Riyadh had with Prince Salman. He dedicated to the city the best years of his life, his sincerest efforts and an unwavering love. His impact and influence will be forever evident in the city and its people. And Salman bin Abdulaziz will remain a mentor and an inspiration for upcoming generations in numerous fields, including local management.

As a sign of gratitude and appreciation for King Salman, may God protect him, from Prince Sultan University, and in recognition of his pioneering role when he was governor of Riyadh, I put forward a proposal to establish the Center of King Salman for Local Management in 2005 which was endorsed by the Board of Trustees. The Center aims at carrying out research and studies, as well as preparing leaders in local management through training programs, that follow King Salman's administrative approach who is a

pioneer in local management in the Arab world. In order for HH leadership and management style to become a model for young Arab local managers, the Arab Administrative Development Organization (ARADO -- affiliated with the League of Arab States) launched the Prince Salman bin Abdulaziz Prize for Local Arab Management, in collaboration with the King Salman Center for Local Management in 2011.

There are numerous challenges for municipal work and urban management. Those will always be present as long as there are cities. However, challenges are different from an impasse,²– which is what municipalities suffer from in reality. This impasse is evident in the inability of municipalities, given their current administrative approach and available financial resources, to provide a minimum level of basic and required services. Such a state of affairs also impacts their ability to develop these services quantitatively and qualitatively to keep up with the continuous increase in population and provide new municipal services in a way and at a level that are different.

The real challenge facing Saudi cities is transitioning away from a financing model that completely relies on the state, to a model of self-reliance on municipal revenues and investments. To overcome the impasse, municipalities and urban managers must think ‘outside of the box.’ They need to move away from the current conventional approach of conducting municipal affairs by employing new and creative ideas.

The book reviews a number of initiatives and suggestions, in addition to programs and projects carried out by Riyadh Municipality. They would have not borne fruit had it not been for the efforts of the municipality, that were supported by HH the Governor of Riyadh, to institute a style of local management that sidelines the influence of conventional municipal routine and centralization. We cannot claim that there is a full realization of local management; however, we were able to establish it at a minimum by wading through the bureaucracy at the behest of the Governor of Riyadh, Salman bin Abdulaziz. We were greatly encouraged by the success of our work, to request the urgent adoption of local management in Riyadh and other cities in the Kingdom because we had no other alternative if we want our cities to develop and compete in delivering varied services to its citizens while being fully independent financially and administratively.

Thank God, given the Kingdom's Vision 2030, our ambition is bigger. What seemed impossible is possible, likewise what was farfetched is closer, and change is faster. I am therefore optimistic that we will continue developing the path of local management given its promising success, and that we will be able to adopt and reinforce the principle of local management so as to consolidate the relationship between residents and decision makers in their respective administrative institutions, thus increasing their productivity and invigorating their patriotism.

There is no option but to restructure the administrative and institutional frameworks of municipalities and push it toward financial and administrative independence so as to generate new and daring ideas and initiatives, proceed with a carefully considered privatization of a number of municipal services; and promote automation programs for delivering services. If cities and metropolitan areas wish to achieve all of these objectives and to continue the delivery of basic services, as well as developing them quantitatively and qualitatively, they need to adopt local management as a starting point for administering municipal affairs.

I hope that the initiatives, proposals, programs, projects, and implementation mechanisms reviewed in this book will lead to a roadmap and a thorough dialogue of the future of urban management. That is especially pertinent, given that the Salman bin Abdulaziz approach in Riyadh continues to be a foundation that one can build on and further develop in order to adopt local management. Such an approach requires further expansion, development and institutionalization. What used to be mere wishful thinking in the administrative sector, in general, and the municipal sector, in particular, has now become an acceptable reality. The Kingdom's ambitious Vision 2030, under the patronage of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz, and led by HRH the Crown Prince Mohamed bin Salman, has opened the doors for innovative ideas and raised the ceiling of ambitions and aspirations. In addition, numerous programs and initiatives aiming at upgrading human resources and financial capacities have begun to bear fruit in upgrading and developing work environments and development trends on all fronts. The future is more promising.



Chapter 1

Local Governance and the Municipal Sector: Between Theory and Practice

- Local Governance and the Public Good

- Creating and Strengthening the Municipal Sector's Public Image

Local Governance and the Municipal Sector: Between Theory and Practice

Following the completion of my duties at Riyadh Municipality I embarked on documenting and presenting some aspects of my experience in the municipal sector. To a large extent, I was motivated by my academic background as a University Professor, when I coached my students with a desire to enable them to understand and overcome the challenges facing our cities. As Mayor of Riyadh Municipality - which is a pioneer in urban development and municipal work- for over a decade and a half, I felt professionally responsible to share some of my views with my colleagues working in the urban development and the municipal sector. Indeed, many of my conclusions derive from being deeply embedded in its daily affairs and gaining valuable experience in the process.

In this book, I wanted initially to follow the traditional conventions of academic writing. However, the intent is not to communicate solely with an academic audience but with a variety of different stakeholders concerned with urban development and its future in the Kingdom of Saudi Arabia. This includes officials, workers, intellectuals, economic specialists and generally all those involved in public service. It was therefore important to select a style that is more in line with the topic and the intended audience, by including both a personal and objective narrative. Moreover, while the subjects are quite varied, my ultimate intent is to present takeaways and conclusions to the reader which are related to the sustainability of our cities. I will end with a series of recommendations which I feel would help in bridging the gap between theoretical aspects of city governance -which I became familiar with through my research- and practical work in which I was directly involved. However, I have to note that I do not wish, through such an account, to impose a specific opinion, but the aim is to instigate a debate among stakeholders around matters related to urban development and its various challenges. This would in turn open the door for further debate among those interested in its various challenges. Hopefully, this would eventually lead to further inquiry among those interested in development, garner their views on the future, and transcend the present towards brighter horizons.

Upon leaving academia to the municipality to assume responsibility as Mayor of Riyadh, I recall anticipating a series of challenges. In my doctoral dissertation, “Bridging the Gap: Centralization vs. Decentralization in the Saudi Municipal Planning System and its Impact on the Physical Environment,” which I have earned from the University of Pennsylvania in 1992, I underscored those critical challenges and the extent to which they could impede urban development. Further, I sought to incorporate a scholarly perspective that is derived from the actual practice of administering a major city. As a result, I identified a series of interrelated urban development challenges facing the contemporary Arab city. They are as follows:

- 1- The confusion of urban administration, oscillating between prevailing centralization and attempts to incorporate decentralization.
- 2- The general weakness plaguing municipal financing and the complete reliance on a centralized financing system set by a central authority.
- 3- Absence of public participation in the municipal decision making process.
- 4- Recognition of the centrality of municipal authority in shaping new urban developments.

Furthermore, during my tenure, I discovered two more issues which were as important as the previous four:

- 5- Absence of a ‘human dimension’ in urban development policies which I described as “Humanizing Cities.” Neglecting such an important aspect in urban policy led to an approach and framework that distanced the work of municipalities from a humanizing perspective that would make it sensitive towards, and attuned to, the needs of city residents. Accordingly, I became convinced that it is imperative to strengthen this dimension through a comprehensive “Humanization Program” that ought to be established as a key element of municipal policy. No exaggeration intended, the subsequent implementation of such an approach can be considered as having opened a new path for urban development throughout the Kingdom. I was alerted to the urgency of this matter as I witnessed numerous development projects and urban

policies that had sidestepped this important aspect of urbanization. Moreover, the absence of an institutional framework that enables the incorporation of a human dimension, further motivated me to change this state of affairs.

- 6- Issues related to land use and allocation policy are of critical importance. Typically ignored by urban growth policies, it led to a situation of limited resources being drained and consumed. It also had a negative impact on sustainable development. This was quite evident given the lack of land dedicated to public services and utilities which includes green areas. It was therefore imperative to tackle this challenge and initiate a substantive change that would lead to a change in urban policies. Thus, the land allocation program had to be reformed from a comprehensive perspective, entailing how it is allocated to citizens, and making provisions for services and utilities.

In discussing the origins of my work, it is crucial to highlight the directives of King Salman bin Abdulaziz and the extent by which they aimed at overcoming development obstacles. His approach to local governance was characterized by competence and professionalism. He urged those working with him to fully understand the principles of this approach and instilled in them a desire to remove any impediments standing in the way of citizen's welfare. Indeed, we were inspired by his personality and talent to tackle and overcome the dominance of centralization perpetuated by numerous ministries. This included the Ministry for Municipal and Rural Affairs (MOMRA), the Ministry of Finance and other governmental entities concerned with urban development and municipal work.

In my view, the municipal sector -- especially in large cities such as Riyadh -- is the most suitable governmental service department that has the potential to change the ideology and practice of local governance systems. There are several factors that have contributed to this. First, the existence of sporadic decentralization practices and systems that were applied to some projects. Second, the presence of a sophisticated administrative structure which includes the Royal Commission of Riyadh, the Municipality with its extensive experience, the Municipal & Regional Councils and the Chamber of Commerce. Given that these are public sectors they have numerous advantages that would make it easier to initiate positive developments by activating an

orientation towards local administration. The municipality, in particular, benefitted from the following four characteristics distinguishing it from other governmental departments, thus paving the way for decentralization:

- 1- The principle of administrative decentralization and financial independence has been, at least in theory, an important aspect of the municipalities' institutional framework according to regulations issued in 1977. Consequently, Municipal Centers were formed throughout the Kingdom, based on a hierarchical administrative structure, whose intent was to preserve their independence through the implementation of decentralization principles.
- 2- The Municipal sector has an active presence throughout the Kingdom and is deeply involved in the daily lives of citizens. Such involvement is facilitated by health and construction inspectors, sanitation workers, and technical maintenance staff. Their impact is felt in every street be it major or secondary.
- 3- It is the only service sector in the Kingdom that provided an opportunity for public participation in decision making through an organized process, namely local municipal elections.
- 4- It led to the integration of female employees in its workforce in 2001 through the formation of the General Department for Female Services, which covered different affairs pertaining to women. The department is comprised of 17 branches employing close to 600 workers who are tasked with administering more than 25,000 facilities in Riyadh, of which more than 2000 entailed direct involvement.

Some may be skeptical about the necessity and urgency of decentralization by noting that cities in the Kingdom have witnessed rapid urbanization over the years, in spite of the predominance of centralization, and that they have been quite successful in achieving a high growth rate. I would like to point out though that I am not necessarily calling for a wholesale dismissal of a centralized governing method, not just because such a claim would contradict real-life experiences, but because there is a need to consider the varying phases of cities as they develop. Initially, they may require a certain form of governance, but as they grow further and expand, their increased complexity

would necessitate the employment of a different approach. In other words, what was suitable for residents in the past may not be so in the present – a balanced approach is thus desirable.

What was appropriate for Riyadh at the beginning of its urban growth was very much an outcome of circumstances at the time. Present conditions, however, are characterized by substantive changes due to urban developments, technological advancements, as well as economic and demographic transformations making the adoption of a similar process an unrealistic proposition, particularly if we set our sights on future growth. Centralization at the beginning of urbanization was an inevitable approach given the desire for achieving visible results within a short period of time. To further illustrate this, it is akin to the conduct of war, where the need for quick and effective actions requires that all participants rally around a central aim or objective, relying on directions from a central authority. Similarly, urban development in the Kingdom aimed at mitigating the lack of essential urban components and services through the adoption of a centralized decision making process that can reach all major urban centers. Irrespective of cost or profit, it can be described as a ‘developmental war’ whose outcome was victory due to a top-down approach in decision making. As a result, remote areas of the Kingdom, which would have otherwise remained in a state of underdevelopment, have been urbanized. None of that is disputable. However, development and urban expansion led to a much more complex reality and a different set of citizens’ needs

With that in mind, some began to carefully note that the centralized approach with its conventional system reached a dead-end, effectively depriving urban centers from further development. In opposition to such views, however, some voices emerged, fearing change, realizing its seductive allure and negating the fact that it is a response to the socio-economic realities of our cities. To further understand such varying approaches to the governance of cities it is important to distinguish between two aspects defining the very character of municipal work:

First: Municipal systems differ from other governmental service sectors by having partial administrative and financial independence. Moreover, their overall organizational structure has elements of decentralization. Thus, municipalities in the Kingdom’s five major urban centers are headed by

mayors who have considerable authority due to their distinctive governmental position. This distinguishes them from heads of departments in other service sectors such as education and health. In turn some of them were motivated to capitalize on their authority and break free, even in small measures, from the bounds of conventional bureaucratic hurdles. Moreover, circumstances changed considerably due to an increase in the urban population, a corresponding change in their needs, and the continuous fluctuation of income based on the sale of oil. Accordingly, the constraints of a centralized system became an impediment to development unlike when cities were still in their early stages of formation.

Second: A majority of successful projects and programs came about because of unconventional and adventurous ideas. Their performance was predicated on the ability of its initiators to carefully navigate bureaucratic hurdles present in governmental departments, and sometimes completely steer away from them. For example, the industrial cities of Yanbu and Jubail were not an outcome of initiatives from the Ministry of Industry and Mineral Resources. Similarly, educational institutes such as King Fahd University of Petroleum and Minerals and Prince Sultan University emerged outside the institutional framework of the Ministry for Higher Education. The same can be said about King Faisal Specialist Hospital and the Ministry of Health. The formation of organizations such as the Riyadh Development Authority approximates to a large extent an approach based on decentralization.⁽¹⁾ The performance of all these organizations and their continuous and sustained success is attributable to the fact that they were formed away from the confines of centralization. And behind all of them, was a father and guardian, following up, directing and removing obstacles – namely King Salman bin Abdulaziz, Governor of Riyadh at the time. Because of his support the initiatives emanating from Riyadh Municipality achieved their objectives mainly due to an adherence to the principles of local governance. This exceptional leader made all the difference by focusing his efforts on dismantling bureaucratic obstacles thus allowing Riyadh to grow and flourish because of its numerous projects and developments.

It is important to point out that relying solely on leadership guidance is

1) A royal decree (A/470) issued on 29/12/1440H (August 30, 2019) stipulated that the Riyadh Development Authority is turned into a royal commission, and renamed to the “Royal Commission for Riyadh.”

not sufficient as a basis for a sustainable future. Our main example here is Prince Salman bin Abdulaziz who realized, through his long experience in development and urbanization, the significance of initiatives emanating from their local context. and that they need to be adopted and nurtured. In addition, supportive mechanisms derived from the spirit of local governance were needed. Equipped with an insightful and intelligent administrative talent, he was able to think outside the box, leaving behind a conventional approach for regional administration, all the while respecting governmental systems and policies. No doubt that the seeds for local governance were formed because of his complete trust in local capacities which motivated him to form effective task forces in Riyadh Municipality, driven by professional cadres that have absorbed his thinking and what he strives for in terms of urban development. Local governance in Riyadh was characterized by his constant follow-up, trust and support as well as holding executive officials accountable. One can perhaps compare their position as holders of government portfolios in Prince Salman's Ministerial Council (while he was Governor of Riyadh); in that regard he was aided and supported by his Vice Governor Prince Sattam bin Abdulaziz.

However, this also highlights the importance of considering an alternative system. What Prince Salman was able to achieve due to his professional leadership and expertise, others may not be able to emulate. Therefore, the outcomes of this experience need to be preserved and maintained in the form of a systemic framework and general policies. His intuitive inclination towards the formation of local mechanisms was not meant to be a fully formed model for local governance, even though they paved the way for such an approach. Instead, they were intended as a guiding principle that would aid in overcoming the obstacles of centralization, in the process directing projects and initiatives towards a safe path. The only thing missing here is their translation into an overall strategy for administrative development, i.e. a fully formed and comprehensive national program. And this in short is our main responsibility towards this great leader who paved the way towards such an achievement.

These great seeds are still available and have the potential for further integrating them into a comprehensive institutional framework for development. For example, there is the Royal Commission for Riyadh, Riyadh Municipality, City and Regional Councils and other administrative

entities all of which have been inspired by Prince Salman bin Abdulaziz's vision. In that respect, they realized the value of decentralization and that it has the potential, with further expansion, in forming the basis for effective local urban governance.

Far from being critical I must note that we are facing a challenge requiring municipalities to deal with development affairs through a process akin to implementing fire preventive measures, rather than extinguishing fires after they have been ignited. Municipalities need to encourage local initiatives that would allow to transcend hindrances pro-actively instead of simply reacting to them. Indeed, one of the main aims for forming a true basis for a local administration is that it has the ability to initiate and implement, as opposed to merely adopt, development objectives. We had to be at the forefront of such changes leading towards the formation of a system that reflects the financial and administrative independence of local authorities.

The issues I am raising in this book should pave the way to a desired form of local governance. To that end I will outline the initiatives and projects that were implemented by the municipality. This will include those that were successful as well as the ones that were stalled. Moreover, I am especially highlighting cases that went beyond the limitations of the municipal framework with the support of a leadership that understood the value of adopting a process of local governance as well as appreciating its value and necessity in the conduct of municipal work. I am also quite certain that such initiatives would have had more success, and seen implementation at a wider scale, if there were no hindrances from central authorities, and if the incorporation of decentralization principles were an integral part of the municipal sector.

Based on my experience, the administrative environment within the municipality and beyond it, did not encourage new initiatives and did in fact exhibit reluctance towards their implementation. And, in the few instances when there was a positive engagement, it would follow a lengthy and time consuming process, resulting in minimizing aims and objectives. Accordingly, idea formulators would be forced to rethink their ideas and sometimes accept ceilings that hindered original and pioneering aims. In that regard, I will not forget some of these initiatives that did not see the light of day because of administrative hurdles from the center and were thus aborted from their

very inception. In recounting such experiences, I am providing a complete analytical framework for those wishing to understand the urgency of, and necessity for, changing towards a culture of comprehensive local governance.

Aside from documenting municipal experiences and initiatives, this book aims at pointing out a key challenge facing city governance and impacting the future of our cities, namely the lack of administrative and financial independence. This has resulted in an inability to independently initiate projects. In shedding light on this challenge, the book seeks to portray the current administrative reality and uncover the prevailing professional culture.

I must note that I welcome discussion of the book's themes with an open mind. The ultimate goal should be providing guidance for future developments, a task that is our collective responsibility. I also hope that my call for adopting local governance as an ideology and process is received favorably. And lastly, by way of acknowledgement, I need to point out that most of the experiences which I narrate in the book would not have been achieved without my colleagues' sincere collaboration at the Municipality. Indeed, renewing our conceptual approaches and proposing initiatives is not just derived from my background as an academic and scholar, but stems from our society, its experiences, as well as the inspiring vision of those colleagues dedicated to public service.

Local Governance and the Public Good

Countries vary in their adoption of general administrative systems between a hierarchical decision making process, and one that seeks to build a consensus among multiple constituents. The first is characterized by a unified administrative structure with minimal governing layers, as well as monopolizing the provision of public services. But there is another alternative approach, where the administrative structure is divided into local and central components. The former's ability for decision making is quite substantive comparable to that of the latter, which also entails a balanced distribution of authority. And, in this approach, the ability to direct public resources is not restricted solely to those working in ministerial departments.

In controlling decisions pertaining to resource distribution and placing such an authority in the hands of a few cadres in the ministerial bureaucracy and their leadership, a situation is created whereby those involved in the process are turned into dependents that are required to follow directions. Such a condition also prevents the emergence of any alternative thinking, and blocking voices that contravene conventional approaches. Accordingly, the ability for engagement, planning, directing, following up, supervising and assessing does not go beyond the confines of governmental departments. In addition, the right for modification and change is restricted to the upper echelons of this strict administrative hierarchy. Such a relationship leads to a poor understanding of people's needs given their distance from the center. As a result, a situation may arise where certain undesired outcomes may occur given that decision making is concentrated in the hands of an authority guided by self-interest and achieving benefits for a few at the expense of the many. It also suggests a lack of engagement with what takes place in the field where the impact of these decisions would be evident.

There is a plethora of research pointing out that administrative 'slack' as well as improper executive responses amplified by an inability to fulfill people's basic needs and aspirations, opens the door for the proliferation of favoritism and marginalization. It also taints the relationship between governing systems and citizens with distrust. Moreover, the lack of a proper institutional framework constitutes an impediment towards executing policies and decisions and impacts the overall flow of work. Research has also shown

that the degree of trust between the leadership and employees is greatly affected. In many ways, the administrative environment is similar to that of a security setting where inspection and surveillance, rather than guidance and encouragement, are the norm. And from what I have seen, comparative studies of urban governance systems throughout the world indicated that they have greatly suffered from a strictly centralized approach.

Accordingly, decentralization aimed at overturning such conditions. In many ways, it became the administrative model followed in most developing and developed countries. The model facilitated a balanced distribution of authoritative decision making, as well as breaking monopolization by a few governmental departments. This in turn opened new horizons, predicated on participation, and the distribution of authority based on clear guidelines, efficiency and effective performance, as well as the quality of public service. Constituting a departure from administrative compliance, it led to a situation that is based on a horizontal distribution of authority, which in many respects was able to effectively respond to the real needs of citizens. Such a model transcends inherited and older approaches, which were appropriate during the early stages of founding the state. At the time, there was a need for rapid change and the formation of an incipient government system. There was also great urgency in rallying administrative elements under one unifying vision.

This rigid hierarchical structure had to be modified however given the emergence of new and unique developmental challenges facing our cities. We are currently engaged in an unprecedented development battle which has its own unique circumstances. A centralized leadership which calls for a unified work approach, and where employees are forced to closely follow directions from a central authority, may have been appropriate five decades ago but would not function in our current context. We are dealing with extraordinary situations and circumstances which cannot be resolved through a rigid centralized decision making process.

Such a redistribution of executive authority requires the introduction of a standardized process that would facilitate decisions concerning its balanced allocation across all departmental levels – from the center of authority till the smallest unit. The main applicable criteria here are efficiency and effectiveness. In such conditions authority is widely shared allowing for inspection and supervision not just from the center, but also at the local

level, achieved through Municipal Councils, and local social institutions that effectively represent citizens in various districts.

I should stress that such an approach does not constitute an infringement on the work of ministries. Rather, it should be seen as a way to lessen their burden, allowing them to focus on matters of greater importance. Furthermore, distracting ministries by the details of mundane and daily affairs is not in the public interest. Thus, delegating authorities to municipal authorities is ultimately a form of empowerment. This is particularly relevant as they are deeply embedded in the administrative structure, and work in close proximity with numerous concerned stakeholders from the public. By stipulating that the main criteria for assessing their work is its efficiency and approval of citizens it can become a model for democratic administration. This is a priority for us, and we are quite keen on implementing such a model by moving away from the pitfalls of centralization and embracing local governance.

It is important to assert that there has been quite an extensive debate in academia about the appropriate degree of authority that should be allocated to these administrative levels, and also the criteria to be used in such decisions. Irrespective of such discourses, however, there is general consensus about the need for redistributing the decision-making authority, as well as realizing the necessity for overcoming the hindrances caused by centralization. What should be pointed out here is that the models for decentralization all seek to reach an optimum form of urban governance that does not exclude or marginalize. It also ensures the consistent provision of critical services, thus guaranteeing citizen satisfaction.

For those involved in administrative policies adopting any of these approaches hinges first and foremost on two factors: the nature of the state, and demographic characteristics. With respect to the nature of the state, it is a particularly salient issue for countries that have sectarian divisions or factions pursuing independence, which may cause their break-up. Because of that they may seek to achieve a minimal level of local governance to ensure that the territory remains united. Those largely homogeneous and big countries, however, maybe inclined towards allocating a higher degree of autonomy to the various localities comprising such vast areas. As for demographics, population growth could be a determining factor for favoring some form of decentralization. This becomes quite obvious when attempting to centrally

resolve problems arising in high density and rapidly growing areas. The burden associated with such scenarios is handled in a much better way by delegating authority to localities. In the case of public service provisions, central authorities can withdraw entirely or partially wave administering them. In such instances authority is delegated to local social organizations as well as local initiatives. Therefore, rather than monopolizing the service sector the state enters into a full partnership with localities.

With respect to the Kingdom, sectarian conflicts or land disputes are not significant factors that would favor some form of decentralization. The Kingdom is an oasis of peace and social harmony under the King's guidance. However, the impetus comes from rapid demographic shifts, owing to increased birth rates, internal migration to urban centers, and unprecedented urbanization growth caused by a leap in oil prices. A favorable economic climate has also resulted in attracting a large workforce seeking employment in the Kingdom. Such demographic shifts are perhaps most evident in a city such as Riyadh. Its metropolitan area has increased quite rapidly because of urban expansion, to the extent that the total length of its circumference has come close to 80km. Thus, in the span of half a century it has doubled in size numerous times. Such massive growth is due to migration from rural areas which have witnessed a decline in their respective populations, whereas urban centers increased in size given the economic leap caused by the rapid rise in oil prices in the 1970s. There were also substantive demographic transformations caused by a surge in marriage and birth rates, leading to a doubling of inhabitants every decade. Such a population growth was accompanied by considerable life-style changes, and a shift in resident's needs. This includes modifications pertaining to consumption patterns, modes of transportation and mobility, and so forth. An advanced administrative model is thus needed that would echo such substantive shifts, and ensure the provision of public services for an ever expanding and high density metropolitan area.

The issue of administration has always been at the forefront of governing the relationship between the state and its citizens, whereby the former places great value on notions of citizenship and patriotism. Citizens, on the other hand, assess their satisfaction with governing entities by the extent to which they perform in a satisfactory manner, the degree to which services are provided, and how they accommodate life needs. According to my research experience, the reaction here oscillates between satisfaction and frustration,

with an inclination towards the latter. Thus in conditions where the service sector operates efficiently, the bureaucratic red tape declines and complaints are significantly reduced to an acceptable level. However, in instances of administrative slack and an inefficient operation accompanied by an absence of quality controls, the degree of frustration rises. This leads to an increase in the level of mistrust.

Based on my experience working at Riyadh Municipality for more than a decade and a half, the key aspect of the aforementioned relationship, ensuring or at least approximating an ideal level of satisfaction, is linked to administrative efficiency. And this is based on two conditions First, the presence of a service sector, comprised of a highly efficient professional cadre who operate according to a workflow suitable for given tasks. And, second, the availability of a sufficient and continuous financing mechanism. In case both of these conditions are fulfilled, the outcome is satisfaction. And in case they are not, as I have seen over the years, the gap between supply and demand for services increases.

Such a new, and much desired, administrative structure is predicated on the presence of an executive and a supervisory branch. The former entails regulative affairs, whereas the latter relies on public participation. They are associated with respective administrative bodies, Executive and Municipal Councils, according to terminology employed in local governance. Through them decentralization is achieved by delegating authority to localities, and finding an appropriate degree of supervisory mechanisms contingent on electoral principles. In this case, the administration of various services is no longer reliant on a central authority. Deciding on the scope and extent of such an electoral approach cannot be done through mere words. It is a discourse that needs to emanate from our developing society, and the answer to which is supported primarily by experience and implementation. Indeed, the first indicators for such a strategy were the newly formed Municipal Councils. Strengthening and empowering them is something that is strongly desired by the state's leadership. There is also the issue of entrusting local capacities especially in the public works sector and partnering with an executive branch with the overall aim of leading development. That said, my focus is mainly on the required changes within the executive sector, so that the relationship with society is redrawn. A balanced administrative authority provides appropriate directions for development, suitable for current circumstances. And it has the

ability to effectively respond to future challenges.

I need to stress that the degree of financial and administrative independence is contingent on the effective supervision from both central and public levels. That independence is subject to the desired degree of development, whose scope and range is determined through a legal framework comprised of regulations and policies. Thus, from the very outset, one cannot separate between local and national interests.

Decentralization is an ideology predicated on a just distribution of resources between the center and localities. It also entails building a framework for good urban governance and its integration with citizen's needs. Administrative authority is thus redesigned to be more efficient by employing an effective workforce, supportive of local needs with the ability to direct resources, commensurate with tasks. However, an important condition is that the range of such an authority should not go beyond its stated mandate.

No doubt, understanding the mechanisms pertaining to the distribution of public services, and achieving an effective response in this area, requires a different organizational culture. Indeed, one can summarize such a transformation towards local governance, while also highlighting its benefits, as follows. First, it paves the way for public participation in the administration, by enlarging opportunities and making citizens an important element in achieving goals and objectives. Second, it empowers administrative cadres at the local level, benefiting from their experience of dealing with on-the-ground affairs. Third, officials are provided with the necessary resources that would enable them to improve their performance and increase the level of service in a realistic manner. Fourth, it alleviates administrative and financial burdens from the central level thus allowing it to focus on its original mission of setting broad policies and regulations pertaining to governance, and improvement of workflow. Fifth, it activates supervisory and auditing mechanisms, in a manner that would serve development objectives. Sixth, local authorities would also carry some of the burden related to the collection of service and maintenance fees, thus ensuring local acceptance. Finally, it is the most efficient way for local empowerment since it recognizes the different capabilities of localities and their distinguishing characteristics – which effectively takes advantage of the positive potential for such differences, rather than sidestepping them.

My sincere belief is that achieving developmental goals is contingent on recognizing the forgotten capabilities of localities. They are hindered by bureaucracy, centralization, as well as the monopolization of specialized and administrative services by those who are not in a close enough position to effectively provide for, and serve, the public.

Creating and Strengthening the Municipal Sector's Public Image

At the beginning of my work I found, with a few exceptions, that the municipal sector was not perceived positively by the public, due to numerous factors and circumstances. Such a perception was pervasive in spite of higher expectations by those employed in the sector, given their numerous achievements, and what the municipality has done in terms of providing daily services, all with the aim of developing our cities and satisfying its inhabitants. The general mood thus seemed to be one of frustration. It reached a situation of not recognizing efforts, and leveling accusations of corruption and negligence towards the sector. Those negative perceptions greatly affected the degree of trust among city residents. To make matters worse, the Municipality itself started buying into those perceptions in an exaggerated manner.

A general view prevailed where the municipal sector was seen as falling short of its aims, which may have been partially true, but it should not have been solely blamed for this. Indeed, citizen's requests have exceeded the financial and administrative capabilities of municipalities given some serious limitations and hindrances. This is largely due to a continuous struggle with the Finance Ministry with respect to budgetary requirements, allocation of funds for municipal projects, and recruiting a new and efficient workforce. In many instances, these requests were severely curtailed, delayed, modified and sometimes rejected outright. On the other hand, the municipal sector has not engaged in any substantive efforts towards confronting and engaging with this limiting situation, instead appearing complacent and satisfied. It did not attempt to reprogram (and engineer) mechanisms and tools for communication within the sector itself, with the Ministry of Municipal Affairs, the Finance Ministry, and citizens. Remarkably, they did not initiate offering alternatives which would relieve them from complicated bureaucratic procedures related to recruitment, employment or even having the ability to further increase revenues.

This negative perception kept evolving, and was further exacerbated by the fact that municipalities did not exert sufficient efforts towards the creation and strengthening of a public relation campaign that would enhance how it is viewed among the public. Simply put, it was not considered a

priority. Moreover, practices by some employees contributed towards casting a negative image, and taking the shine away from municipality achievements. The substantive change in the media landscape at the time, through the emergence of the Internet and accompanying social platforms, gave voice to a critical discourse. The municipality neither responded to these new realities, nor invested in a solid communication strategy. Some individual municipal departments translated their concern to proposals and ideas that were adopted piecemeal. As for those few showing initiative, they did not find support, help or professional direction based on a proper institutional framework.

Though I did not appreciate the general state of affairs and pervasive culture throughout the Municipality, I felt that it had great potential. Additionally, I did not want this general perception of frustration and helplessness – the feeling that things cannot get better – to dominate. Therefore, it became evident to me that the first step towards municipal reform was an improvement of its public perception. This would in turn enable the sector to seize and recover numerous opportunities, as well as raise the level and quality of municipal engagement with the public.

I quickly realized that creating a positive public image has a lot of requirements, necessitating a proper embrace of effective communication strategies. Supported by my colleagues we became convinced that the municipal sector required among other things a rapid response to changes taking place. In addition, the most important consideration was to view inhabitants of Riyadh as active participants rather than as passive recipients. In short we had to reconsider the very nature of municipal work, as well as its priorities and administrative processes. This also entailed modernizing ideas, programs and initiatives. I used to convey to those around me, my conviction that the municipal sector is one of the most important governmental departments given its direct involvement in public affairs. It is a sector for the people and from the people. It can be elevated and upgraded so that it can receive a much-deserved appreciation as long as it strives towards the appropriate provision of services. And I would always mention that having an experienced and wise leader such as His Royal Highness Salman bin Abdulaziz in our midst constituted an historic opportunity for those of us working in a sector serving the city. Furthermore, given the presence of HH, Riyadh has much better prospects than other cities, which may not be available again in case they are missed.

In general, and in spite of this pervasive sense of succumbing to a general atmosphere of frustration and helplessness, I embraced a more positive outlook. This desire for changing to the better became my main concern. However, my biggest worry was finding the ideal way to achieve this without casting negative aspersions on what has already been achieved; and how I can form and motivate a team that shares my visions and directions. To that end, I was very much aware of the importance and significance of having the support of HH the Governor of Riyadh, knowing full well the extent of his love for the city and its people. This support enriched and strengthened me throughout my tenure. I had great confidence in knowing that the municipality with its workforce, mandate and proximity to people, has the ability to make a positive contribution to their daily affairs. I strongly believed also that Riyadh has numerous competent individuals who were keen to be given an opportunity to serve the city and its inhabitants. To elaborate, I will briefly mention some of the steps, programs and decisions that were taken to improve public perceptions, which were marred by the exaggerated negative image of municipal affairs in general, and Riyadh Municipality in particular.

Respect, love, appreciation, partnership and most importantly initiative – those were all terms that were deeply embedded in our daily work at the municipality. They were also employed in the interaction between the municipality, city residents and other stakeholders. I sought to establish those principles among the different partners while affirming the notion of ‘respect’. ‘Respect’ emanated from achievements and not from the collection of fees, the penalization of violations or the assertion of dominance. Instead, it is a form of ‘respect’ that stems from appreciation. And I found a mechanism for achieving such an initiative which in turn would improve the public’s perception: it is predicated on achievements that are accompanied by truthfulness and based on carefully studied decisions that aim to serve all of the people. In other words, achievements that accommodated people needs did not ignore their interests, and raised awareness about how much the city’s administration cares about them and seeks to accommodate and fulfill their needs. Achievements also sensed what people’s requirements are even before they are requested. Thus, pleasant surprises abounded. With that in mind, I found that there were a lot of lost opportunities in municipal work; some were not effectively utilized and others were ignored. As a result of the negative repercussions that ensued, I faced the challenge of mitigating false perceptions among the public, rather than letting them gain strength. I had a deep conviction that facing and overcoming these problems has two benefits.

First, it results in their resolution. Second, it sends a positive message to society that the municipality has the ability to solve problems and achieve observable and tacit results. This constituted one of the main mechanisms for constructing a positive public perception about the municipal' institution, as well as enhances the prestige of the achievement.

I will review in upcoming chapters many opportunities that were readily available but were not utilized. This includes encouraging partnerships with the private sector; embracing privatization by collaborating as a shareholder with existing companies; capitalizing on municipal decisions financially, administratively, and technically. They also include standing with residents, through partnerships and by serving them as clients. We also aimed at taking advantage of opportunities that would support the financial and administrative independence of the municipal sector in general, and Riyadh Municipality in particular. There were many other opportunities seen as problems but which the municipality was nevertheless able to invest in, resulting in a positive outcome for the sector, its employees and city inhabitants. And just to cite a few examples: complaints about food poisoning and lack of cleanliness, frustrations due to the inability to exceed construction height limits; abandoned parks and its improper use by some; and noise complaints from some residents because the utilization of adjacent empty properties as a soccer playing field. Other complaints related to roaming vendors; restriction of leisure opportunities to indoor shopping malls and fast-food operators, particularly during national occasions and weekends; responding to aid requests from some cities in the Kingdom due to national emergencies, such as the severe flooding of Jeddah and Mecca during the Haj; and assisting the city of Taif with waste collection during the summer months.

The municipality was able to tackle the above-mentioned problems in a different and non-conventional manner, regarding it as an opportunity for demonstrating initiative. Resolving these problems resulted in observable achievements. For example, the celebration of Eid and national occasions; the weekly municipal program of theater performances; the King Salman Science Oasis; reconstitution and rehabilitation of Wadi Sulai; the development of 'million's parks; the 'parks without fences' program; and the introduction of municipal plazas. Furthermore, as the municipality has chosen to side with citizens, administrative centers were introduced throughout the city. Those were treated as sub-branches, and the particular district they served was

considered as an independent urban area. The proliferation of urban parks; strengthening the visual identity of Riyadh by changing urban development patterns; increasing the size of plots allocated to mosques and placing them along major roads, thus increasing their visibility; and the issuance of permits allowing for an increase in the height of existing structures from the stipulated 10% to 30%, and eventually 50%. These are all examples of further achievements. In addition, custodians of mosques were provided with accommodation separated from the main structure, and in an effort to alleviate the suffering of residents, permits were issued.

The municipality aimed at distinguishing itself by having a positive outlook and embracing a non-conventional approach. For example, a particularly notable experience pertains to the severe flooding problem that took place in the governorate of Jeddah. The Ministry of Municipalities and Rural Affairs requested from all municipalities to support Jeddah in its efforts to overcome the repercussions from this event. Instead of sending a few workers as is common when aid is requested, Riyadh Municipality chose to deploy a fully formed team accompanied with specialized tools and motorized equipment. It also requested from Jeddah Municipality to be allocated a specific area for which it would be fully responsible. The impact was quite positive on authorities in Jeddah and its inhabitants. And there was no additional cost for Jeddah Municipality as officials from Riyadh rented both a rest area for their workforce – administrative leadership and heads of various task forces – as well as another structure used as a workshop for workers, machinery and equipment. In addition, a food and beverage supplier was contracted to serve the Riyadh team. They were similar to a municipal commando unit that came to offer true and meaningful support without adding any undue administrative burden or financial costs for Jeddah Municipality. The work of this particular team continued for several months. There were also similar experiences in other cities. In Taif, for example, the city faced a problem pertaining to waste collection at the height of its summer season when the city is visited by throngs of tourists. The same approach was applied by offering comprehensive support and aid, continuing for a number of months. These were all valuable and distinctive experiences that deserve to be documented by authorities in Jeddah and Taif.

The municipality was thus able to capitalize on these achievements, which improved its overall perception among the public as well as governmental

agencies. It asserted the viability of its capabilities, as well as trust in its programs, projects and what it offers in terms of initiatives and proposals. The result was an increased level of happiness among inhabitants, as the municipality affirmed its constant presence as a trusted partner, and fulfilled residents' aspirations towards the city and their neighborhoods. Further, after relying on donations for the Eid celebrations, we were able for the first time to incorporate the event as part of the municipal budget. That was followed by a dedicated budget for walking paths, neighborhood plazas, the Science Oases, and many other projects. We aimed quite forcefully to increase municipal revenues without placing any additional financial burdens on residents. Accordingly, there was a significant rise in income from advertisement and media boards. Uniquely, Riyadh became one of the cities with the highest proceeds from advertisements but with the least amount of boards spread throughout its various districts and highways. We very much understood the need for preserving the image of the city as the Kingdom's capital by balancing the proliferation of commercial signage. Indeed, we learned through experience that whenever the number of boards is increased (supply) there is an accompanying reduction in income (demand). The municipality was therefore able to amplify its income by minimizing the proliferation of commercial displays.

There were additional investment opportunities leading to a substantive increase in revenue, which in turn enhanced the municipalities' overall image as it proved an ability to improve services for the city and its inhabitants. This included land and real estate investments and entering into a partnership with the Ma'aqliya company, among others. Given the associated income increase we were able to convince the Finance Ministry about our ability to generate higher revenues. This was, of course, conditioned on our freedom to spend any additional income on relevant programs and projects. It eventually led to financial and administrative independence, albeit quite limited, allowing us to achieve a lot and distinguishing our work and setting it apart from other municipal sectors.

These achievements and success stories had a 'snowball effect' whereby an increased level of support caused many projects to perform beyond expectations, affirming levels of trust in their execution, and leading to other initiatives. This in turn relieved pressure on the municipality especially with respect to its administrative, technical and supervisory capabilities. The

additional gain in revenues was utilized in numerous ways. For example, a municipal recruitment program was established through which more than 600 female Saudi workers were employed in a specialized department dedicated to female affairs. Other programs led to the hiring of qualified, junior engineers and sanitary/health inspectors and workers. The latter received specialized training and were provided with the necessary tools, equipment, protective gear and vehicles to be able to carry out their mission effectively.

Another program established from revenue gains, enabled us to renew and renovate numerous municipal resources: machinery, equipment, tools and so forth. At the same time, more than 60 emergency task forces were formed. Those were used as rapid patrol units for respective sub-municipalities, to be used in the case of emergencies such as floods. It will be beyond the scope of this narrative to enumerate additional projects and initiatives. But, it must be noted, that in spite of our limited financial resources, and Financial Ministry interference in the allocation of budgetary items, a general feeling of relief prevailed. That was mainly because we were able to improve the public's perception of the Municipality, by proving its ability to make important accomplishments, as well as achieving public satisfaction by choosing to stand with citizens to ensure their well-being. In turn, the municipality was once again perceived positively, gained influence, and the level of trust increased with time.

Municipal work should not be seen in isolation from its counterparts throughout the world. Best international practices need to be adapted and adjusted to be in line with local conditions. This must be a continuous and sustained effort. How our cities can provide a high level of service equivalent to that offered in other international settings should be of prime concern.

In our attempt at changing public perception about municipal performance we had to monitor successful experiences elsewhere. The focus was on the level of achievements and rapid response to the requirements of residents and clients, as well as ensuring the provision of high-quality services. To that end, the case of the Saudi banking sector with its ability for self-improvement, and strengthening the relationship with its clients through enhanced services, was always something that I greatly admired. I wished that such an attitude could also be reflected in the municipality, acting as a 'savior' of sorts. Saudi banks in their collaboration with international partners have achieved a degree of

administrative and operational success, which needs to be examined more closely. The banking sector has reached world class status, based largely on a balanced relationship with international experts. The knowledge transfer to the Saudi youth through education and training is a perfect example for building national capacities. The attempt by the municipality to emulate that model by employing an expert consultant in all municipal sectors, just as was the case with the banking sector leading to the localization of expertise, was not up to my expectations. Therefore, and based on the principle “what cannot be achieved all at once, should not be abandoned” we had to complete the task according to our own unique approach.

The municipality implemented significant improvements with respect to administrative, planning and executive systems. It also introduced new approaches for designing and executing municipal projects, which continued in their administration, operation and maintenance. We were able to recruit experts and consultants from some Saudi universities and contract a number of specialized consultancies to support administrative departments within the municipality. Those included urban planning, execution and supervision, sanitation, research, design, maintenance and operation, and many others. In short, we were keen on ensuring that relevant expertise is widely distributed and present throughout the municipality in its various administrative/technical departments and agencies.

Overall, we succeeded in advancing how the public perceives the performance of Riyadh Municipality. This was primarily accomplished through the embrace of positive change, and the increased ability to realize and execute innovative initiatives. I also focused on enhancing performance levels, and on enabling the municipality to excel in a competitive environment with specific attention paid to citizens. The municipal sector may further benefit from implementing a comprehensive and effective plan modeled on the experience of the banking sector. This can be achieved by seeking partnerships between world renowned experts and municipalities to form parallel administrations. Those should be involved in executing and developing municipal tasks as well as engage in training and educating a local workforce. Such a partnership can last for 10 or up to 15 years, during which time the municipal sector would gradually become self-reliant and able to further develop urban policies.



Chapter 2

Greater Riyadh: A City of Many Cities

First: Enhancing Decentralization and Establishing a Local Governance Policy

**Second: A Theoretical Framework
Bridging the Gap between Centralized and Decentralized Administration**

Third: A General Vision for Enhancing Decentralization in Municipalities

Fourth: Restructuring the Geographical and Spatial Distribution of Municipal Services. (1998)

Fifth: The Unified Administrative Centers' Buildings Program

Sixth: Program for the division of cleaning contracts (2003)

Greater Riyadh: A City of Many Cities

First: Enhancing Decentralization and Establishing a Local Governance Policy

Greater Riyadh is the Riyadh we know today, the population of which has exceeded six million. It is divided into 15 municipal districts, some of which have a number of residents reaching one million. ‘Salman’s Riyadh’ has no doubt been engaged in a developmental battle, which allowed progress to reach all of its districts. The presence of Prince Salman bin Abdulaziz, as Governor of Riyadh, at the top of its administrative structure, made all the difference in developing an advanced infrastructural network. His professional approach as an experienced administrative leader facilitated overcoming many obstacles, as well as allowing for the implementation of numerous developmental programs and initiatives. These efforts needed to be formalized through a comprehensive national administrative framework.

In 2017, relying on UN data, the UK based daily The Telegraph published a list containing the fastest growing cities in terms of population, spanning the last decade. It contained 20 cities which have a population of at least 5 million. Riyadh was the only Arab city in this list, ranked 15th with a population of 5.67 million people, and an annual growth rate of 3.16%.

Today, Riyadh is a city comprising many cities. Aside from being the capital of the Kingdom of Saudi Arabia, the center of governance and administration, it is also the largest urban conglomerate by land area and population. It contains all ministries, and is the headquarters for numerous governmental, private as well as international organizations. Over the last five decades, it has witnessed an unprecedented growth and development rate if compared with other world cities. The size of its population kept doubling each decade. It was estimated to be 350,000 in 1925 and continued to increase until it reached close to six million based on the latest estimates. Riyadh is currently spread out over a vast area which has surpassed all expectations and planning scenarios.

Such high rates of population growth and geographic expansion require a reconsideration of how to administer the city as well as other urban centers in the Kingdom. It also entails a reassessment of urban governance, as well as municipal affairs, to ensure the adoption of local urban governance methods, with a focus on decentralization and financial and administrative independence. This also means that municipalities should be incentivized to deal with developmental affairs based on the principle of ‘fire prevention,’ rather than ‘extinguishing fires after they have been ignited;’ taking the lead in initiatives rather than simply reacting to situations; guiding development instead of simply catching-up; and partnering with the private sector in the provision of municipal services. Riyadh has been fortunate enough, under the direct guidance of Prince Salman bin Abdulaziz, to take positive steps in that direction. All that it requires at present is to develop, support, activate, and deepen their application.

Unfortunately, and as is well known, a widely held conventional bureaucratic view maintains that a main indicator of power for the central government, is to control decision making and to monopolize guidance authority. Moreover, there is a general perception that allocating municipal services – through planning, financing and execution – across different departmental levels constitutes a sign of administrative slack. This desire for control from the central authority has become a non-negotiable matter in the conduct of public affairs. In my view, it is a misguided approach, which has led to the situation we are facing today. The central authority is bloated, inflated, constrained and inhibited due to rapid urban development and population growth, rendering it essentially ineffective in combating urgent crises. This is further exacerbated as resources are drawn away from local authorities, thereby weakening them, and causing difficulty in resolving developmental gaps. I witnessed this upon assuming the mayoralty of Riyadh and began searching for potentially new paths to overcome such deadlock, despite numerous bureaucratic and legal constraints.

Notwithstanding such challenges, however, Riyadh was largely able – and for quite some time – to accommodate the rapid rise in its population, urban expansion and an increased demand for numerous infrastructural services, which entailed an ability to develop them quite extensively. This was primarily due to the fact that the implementation of decentralization principles took place across some municipal departments, albeit in varying

stages. Some departments were at the forefront of applying such measures and thus acquired great experience, while others began the process at a later stage. Accordingly, they had difficulty in the actual implementation and execution of necessary plans.

Riyadh Municipality, as an example, had an early experience in this matter. Up until 1977, there used to be six municipal branches. As the city's population grew and its land area increased, accompanied by an intensified demand for services, the municipality found itself in an administrative impasse, requiring the allocation of some affairs to secondary units. Accordingly, a royal decree was issued in 1977 to increase the number of sub-municipalities to 10 with a correspondent city district distribution. Thus, each district would have an assigned municipal branch, subsumed under Riyadh Municipality. In keeping with the city's rapid growth, the number of sub-municipalities has now reached 15.

Among the initiatives, which are useful to explore in greater detail later, is a particularly significant one that aimed to reconsider the spatial distribution of departments and municipal services. It applied a number of atypical organization principles which aided in facilitating a form of decentralization thus raising the quality of services from respective departments. This reduced inefficiency across central tiers and lessened their reliance on limiting routine work procedures, by transferring numerous responsibilities and jobs to sub-municipalities. At the beginning, there was some confusion in dealing with new circumstances which entailed a direct engagement with the public, and the provision of services close to the place where they are actually needed, away from the municipal headquarters. In my opinion, we had to embark on this experience and enlarge the scope of municipal work by reaching out to these varying and remote districts. As the new system was being implemented, we realized how the public positively reacted to opening up direct channels of communication with administrators who were able to accommodate their request for services. Since this took place close to where they lived, it also resulted in saving time and effort. Keeping administrators, who understood the nature of the services and the real needs of the citizens, close by so as to gauge their satisfaction, constituted a vast qualitative transformation in service provision.

Initially, what helped in the successful early implementation of

decentralization within a system attuned to centrality is the notion of 'delegation.' Delegation ensured that central tiers are in control of administrative and financial affairs, aided by a central decision making process. Officials were motivated to engage positively with such an approach as it did not entail making any significant concessions impacting their overall authority.

In spite of such limitations, it is important to point out the successful implementation of local governance in other countries which was predicated on the presence of several factors. Those include the positive outcome resulting from public participation in municipal affairs and affirming the principles of democratic practice, while at the same time diversifying the administrative structure by attracting a young leadership. In many respects, this is what we aim to achieve in the Kingdom's system of local urban governance.

Moving towards an implementation of decentralization in Riyadh and restructuring the overall system of municipal service provision was quite comprehensive, but it was not part of a program with clear objectives or a specific timeline. It took place in different phases which varied in their chronological order. Thus, while some departments were at the forefront and managed to steer towards such a goal right from the outset, others started late and were still in the early stages of formulating ideas and establishing the necessary implementation plans.

Second: A Theoretical Framework

Bridging the Gap between Centralized and Decentralized Administration

The implementation of a decentralized administrative approach as an effective tool for service provision to citizens is quite widespread among large cities with high densities and a large land area. And in spite of differences in terms of objectives and degrees of implementation, most cities share common methods which entail its division into distinct geographical areas. Each would be administered by a distinctive municipal subdivision, acting as a branch of the central municipality.

The city of Riyadh is one of those urban centers that have been involved in numerous experiments over the years to employ decentralization among varying sectors and administrative authorities providing daily services to citizens. In the past, due to a small population and a limited land area, the provision of services for the whole city was reliant on a centralized approach. Most governmental departments would have one, or at the most two offices to respond to citizen's affairs and requests. However, with an increased population number and enlargement of the urban boundary there was an accompanying pressure on main governmental offices which affected performance. Accordingly, the city adopted a spatially decentralized approach to provide for a variety of tasks, aiming at responding in the most efficient way to citizens' service requests. This also allowed for resolving administrative logjams at the central level. Obviously, such an approach was not just restricted to the public sector, but included, to varying degrees, the private sector as well. In consequence, banks, offices and companies were able to expand their client base by opening branches throughout the city, thus ensuring a wider distribution.

No doubt such an orientation towards decentralization was appropriate. Decentralization was required due to changing circumstances with regards to administration, population levels, degree of urbanization and economic growth. Of note, however, were a weakened delegation mandate and an absence of a general coordinator of such directives, both of which have assumingly jeopardized the administration of the city. In many cases, there was a lack of coordination among different sectors resulting in divisions and

conflicts which negatively impacted the city's urban planning programs.

Despite disagreement among scholars about a unified definition for the constructs of 'centralization' and 'decentralization,' there is a general consensus that they pertain to a management style that is concerned with the delegation of authorities and mandates within the administrative framework of organizations and institutions. Thus while 'centralization' means that control is concentrated in upper administrative tiers, and in the hands of a small number of officials, 'decentralization' is more concerned with 'the other side,' namely, distributing authority among different administrative tiers so as to facilitate the distribution of decision making among a larger number of employees.

Each approach is important and has both a positive and negative side. It is not possible to prefer one over the other, unless there is more information pertaining to the objectives behind their implementation, and knowing the specific circumstances of the administrative organization targeted for centralization or decentralization. In general, the conditions of many cities – particularly the large ones – demand an orientation towards decentralization in administering their affairs. Therefore, in a city such as Riyadh, it is no longer possible to have an approach that is similar to what was being implemented when its population did not exceed 300,000 people, especially since any increase in their numbers is accompanied with an enlargement of the land area. That, in turn, leads to an increase in the amount of high quality and efficient services requested by citizens. In case there is only one administrative center responsible for city administration and municipal services, one can imagine the large number of requests and cases that need to be resolved by authorities on a daily basis. Such a situation would lead to increased pressure on officials in upper management, leaving them unable to dedicate their attention to the urgent tasks of setting broad strategies and programs relevant to their mandate and higher administrative level.

In addition to the numerous positive outcomes of applying 'spatial decentralization,' including saving time and effort for citizens and facilitating direct access to officials, and decreasing administrative burdens on central departments by transferring tasks to sub-municipalities, public participation was strengthened, thus affirming the principle of practicing democracy. It clearly contributed as well to nurturing, discovering and training a young administrative leadership.

Decentralization manifests itself in a variety of different forms, though; it is somewhat difficult to distinguish clearly between them. The main difference has to do with the degree of independence and mandate granted from the center. The following is a brief outline concerning the different classifications as determined by scholars who looked into establishing a ‘decentralization typology:’

- 1- Non-concentration: This can be defined as a spatial decentralization method whereby some administrative burdens, but not the decision-making power, is transferred from the central administration to sub-municipalities located throughout the city.
- 2- Authorization: Some authority and decision-making mandate is transferred to administrative units located at a lower tier within the overall bureaucratic framework of the central administration. Upper administrative ranks retain control of those lower units.
- 3- Delegation: A partial transfer of authority and mandate to administrative units outside the bureaucratic framework of the central administration, while upper management retains the right of interference and control. These units answer directly to the central administration in regard to their workflow.
- 4- Independence: In this case, administrative units retain independence by being completely self-reliant. In addition, they have a separate and distinct legal status vis-à-vis the central administration.
- 5- Privatization: The central authority waives the provision of some services and tasks. This is achieved either by transferring those to voluntary organizations or by allowing the private sector to provide such services in exchange for nominal fees.

A review of the implementation of decentralization methods in different countries does not really lead to a clear judgment of such attempts. In fact, it is extremely difficult to decide on the success or failure of such endeavors given a number of reasons, some of which are detailed as follows.

First: The objectives behind implementing decentralization vary from one country to the next based on differences in their political, economic

and social contexts. While some aim at strengthening democratic and participatory processes in decision making, others embrace decentralization nominally and actually continue to support and affirm centralization. Some countries aspire to develop and improve the provision of services.

Second: Measures and standards used to assess the implementation, or lack thereof, of decentralization is neither consistent nor precise.

Third: Publicly declared decentralization objectives in some countries and administrative organizations may differ upon implementation from the actual or original objectives. Thus what is declared does not reflect what takes place on the ground, making any attempts at performance assessment quite difficult.

Despite that, it is possible to note the following general observations with respect to the implementation of decentralization measures:

- 1- The results of employing decentralization differ and vary according to the respective situation of countries and institutes. While it might be successful in a certain sector located within a specific country, we may find the opposite when applied to similar settings but in a different regional context.
- 2- Controlling financial resources via a central administration, and the paucity of a trained and qualified workforce, are among the main reasons that have impeded the successful implementation of decentralization.
- 3- Many scholars and observers of decentralization measures confirm the existence of a gap between theory and practice, as well as reality and ambition. Policies of countries and administrative institutes differ in many instances from what is documented vs. what is actually implemented. Such discrepancies do not allow for a balanced and fair assessment of their experiences.
- 4- Numerous countries and administrative institutes view the implementation of decentralization as a magic solution that will significantly aid in alleviating a myriad of problems. Of course, this is not true. Thus, objectives need to be specific and limited in scope, to ensure their successful achievement.

5-Non-concentration, or what may be called spatial decentralization, in spite of not reaching its full potential, can be considered among the more successful methods applied in different countries and administrative institutes.

The success of spatial decentralization can be attributed to the fact that centralized governmental authorities regard it as the fastest way to provide high quality services. Moreover, it alleviates some of the burden associated with daily routine administrative work by transferring tasks to sub-municipalities. Additionally, citizens can directly feel the impact of streamlined administrative procedures as communication channels open with officials close to their respective districts. This saves significant time and effort. The other factor contributing to the success of applying spatial decentralization is that it does not entail giving up financial and administrative control from upper management. This incentivizes officials towards its implementation and benefiting from it without making any substantive sacrifices.

Third: A General Vision for Enhancing Decentralization in Municipalities

There are numerous theories and models concerning the practice of general administration and its application at a local level in the municipal sector. What may constitute an appealing model in other countries may not necessarily be applicable to our cities, and should not be taken as is. I highly appreciate the efforts that brought world practices to us aiming at achieving rapid transformation. However, administrative approaches basically remained the same in spite of a few changes here and there. Our major cities remained in a condition that required a qualitative transformation that does not just enable them to overcome accumulating critical problems, but also makes provisions for accommodating a challenging future.

The development of a Saudi model that aligns with our local conditions and needs, as well as their degree of economic and social development, is neither a distant dream nor a matter that should be in dispute. The experience of urban development throughout the world informs us that it is a process that emanates primarily from local conditions; and grows through a challenging process of creative interaction within a local context. It is my strong belief that reaching such a model is a real possibility, predicated on the abilities of our local cadres who are able to extract valuable lessons from our broad experiences and closely following what has happened in our cities. This is especially relevant for Riyadh, the approach of which is reviewed here. It is an experience that has endured for more than half a century and represents a true model of development, from which numerous lessons and inspiring ideas can be derived. This does not mean that one should sidestep science or look down on the experience of others who have numerous strengths that can be embraced with awareness and creativity

Ultimately, the matter is related to understanding challenges that have become a large burden on our cities and municipalities. It is predicated on an honest effort to support localities, and aiding them in moving towards the future. Moreover, to avoid uneven urban development, policies are needed which would galvanize local governance and allow the implementation of a work culture that is distinctive from conventional bureaucratic approaches. I reiterate the matter is in our hands, given the many lessons that can be learned from cities in the Kingdom and the roadmap which paves the way to move forward without any impediments.

In the next chapter, I will discuss matters related to financial and administrative independence which supports, in many respects, my argument regarding the importance of vigorously calling for an approach based on local urban governance. However, in this chapter, I will briefly and concisely present some of Riyadh's administrative municipal experiences to show how initiatives were born and how it could proceed to success, development and growth. I should note that these initiatives faced many obstacles and were not streamlined or met with encouragement. In some cases, numerous attempts were aborted although we managed to go through with others.

Generally, I will show how Riyadh Municipality, during my mayoralty, was able to be at the forefront of innovative initiatives the implementation of which allowed professionals and academics to prevail over conventional thinking and an obsolete city governance approach. In many respects, it is a call for identifying bottlenecks in administrative affairs, which impeded its various sectors and curtailed its ability for advancement. I was also keen on knowing where it lost its momentum and how its capabilities were wasted. I was guided throughout by a strong belief that decentralization is the most logical approach that would allow us to respond effectively to questions and challenges pertaining to our urban future.

The first and most important response to the above questions is directly linked to the concept of decentralization, and its role in enabling cities and municipalities to improve their performance and increase local revenues. This is based on a developmental perspective whose aim is for municipal services to reach a distinctive standard characterized by high quality and a competitive advantage.

I will try to outline the main elements of our initiatives while emphasizing that they were inspired to a large extent by a desire to emerge from the constraints of a centralized system and overcome its bureaucratic obstacles. It sought to find an appropriate space that would permit moving forward and allow for achievement of development objectives that responded to local requirements and aimed at resolving daily problems which are felt by those in charge.

As for administrative independence and pushing the municipal sector toward decentralization, when I began my tenure as mayor of Riyadh in 1997,

I had a general vision and a roadmap pertaining to its future. It involved administrative independence and pushing the municipal sector towards decentralization. Fortunately, prior to my mayoralty, I had just completed a field study on centralization and decentralization in Riyadh. In the study, I noted that a city with the size and population of Riyadh cannot continue to be governed with an old administrative and financial mindset, guided by domineering centrality. It was not possible to wait for a national program focused on local governance to strengthen decentralization, and push for municipal financial and administrative independence. Therefore, it was imperative to exert our efforts, based on an assessment of existing conditions, towards the adoption of an alternative approach. This entailed taking practical steps paving the way for municipal reforms.

Riyadh Municipality did not play a role in contributing to the city's rapid population growth and the accompanying increase in its land area. Nor was it involved in most, if not any decisions pertaining to the expansion of the city. The municipality faced an impasse, which was difficult to emerge from, due to two factors. First, a high rate of migration – from both Saudi citizens and expatriates – who come to the city to study, work and generally seek a higher quality of living, compared to their cities of origin. Second, the municipality encouraged service departments such as Education, Health and others to respond effectively to the increase in population. Accordingly, whenever there was a population increase, it was accompanied by an expansion in services. And whenever there were more services, more people were attracted to take advantage of them. The municipality cannot stop or control either one of these factors, since freedom of movement between urban centers is guaranteed for all. Though the cost of living, services and utilities – electricity, water, education and health – is unified across the Kingdom, the capital retains certain 'pull-factors' and a quality of services that make it more attractive than other areas.

At the time, the presence of an executive agency such as the Center for Projects and Planning, at the Ar-Riyadh Development Authority – which was formed to guide the city's future growth and coordinate all of its projects – facilitated the control of urban development. That made it more capable to control development especially given that it was headed by the Governor of Riyadh, and comprised heads of service authorities. The efforts of the Center for Projects and Planning were not very clear, unfortunately, and did

not exceed setting guidelines and policies such as the urban growth boundary policy which was being implemented across the Kingdom. That policy aimed at phasing urban growth of cities in an attempt to limit urban sprawl and the accompanying provision of services. The Center for Planning and Projects, however, was able in some cases to move beyond merely setting policies, by managing some distinctive projects in the city. This included the construction of the Diplomatic Quarter, the development of Qasr al-Hokm District, and the revitalization of Wadi Hanifa. In general, though, there were no serious attempts to place limits on migration and an increase in the city's land area. No regulatory, developmental, or planning policies were issued with respect to migration to Riyadh, or to giving support to reverse migration. There were only personal attempts by the Governor of Riyadh encouraging the development of higher education institutes and industrial areas throughout the different governorates of the Kingdom, away from major urban centers, with the objective of offering attractive education and work opportunities. His Royal Highness was keen on providing residents with incentives to remain in their respective home towns through the delivery of urban amenities that would in turn prevent them from seeking opportunities in major cities.

The last two decades witnessed the execution and development of what Prince Salman bin Abdulaziz had been calling for. Accordingly, start-up universities, and industrial districts were established and they proliferated across the Kingdom. In spite of the positive aspects of these developments, it was unfortunately not sufficient to limit the massive expansion of major urban centers. As a result, Riyadh became a 'city of many cities.'

Riyadh Municipality, following directives of its Governor, did not wait but immediately began the implementation of administrative and executive steps that would effectively deal with the status quo, caused by a rapid population increase. A roadmap was thus formed envisioning a future predicated on administrative decentralization, and setting a path towards transitioning to local urban governance. Accordingly, a number of proposals were prepared, and practical steps were taken towards their activation. They include:

- Strengthening administrative decentralization in Riyadh which took place in 1999. It entailed a reorganization of Riyadh's municipal subdivisions, numbering 15, by redrawing and modifying their geographical

boundaries. This was followed by a redistribution of services so that they are allocated to their respective districts. Therefore, each subdivision had clear boundaries, an appropriate domain of services, and a designation that is known to all governmental authorities in Riyadh.

- Founding the ‘Unified Administrative Buildings’ program in 2001 which involved combining numerous buildings and structures existing in sub-municipalities to provide services in one designated administrative center. In 2004, a building representing the Emirate/Governorate of Riyadh was added to each of these unified administrative centers. That was a positive indication that the Governor has given preliminary approval for sub-municipalities to attain administrative and financial independence. As such, they had the potential to be transformed into a governorate or an independent center, connected to the broader Riyadh Metropolitan area. That would be similar to other governorates such as Dar’iya, Ay’ina, Shaqra’, and Kharj. A proposal was, therefore, made to that effect in 2011 to subdivide the region of Riyadh into governorates (muhafazat) and sub-governorates (marakiz).

Following the crystallization of an overall vision and a roadmap, we started to prepare sub-municipalities to transform into independent administrative and financial entities. The objective behind taking these steps was to conceive fully responsible sub-municipalities as an actual counterpart to the main municipality. The staff at the main headquarters would then be able to dedicate their effort to supervision and setting of strategies. Without getting into details, suffice it to say the heads of sub-municipalities were given an unprecedented financial and administrative mandate.

The advantage of all these endeavors is that they emerged from a local context, be it from an idea inspired by daily field work, where we sensed its potential for further development, or from a problem that we had to face and propose solutions for, reflecting the aspirations of city residents. This enabled us to identify real areas of strengths and weaknesses. At that time, we were quite keen on informing higher authorities about some of these matters and difficulties. We presented innovative visions and atypical approaches to concerned officials. And, we sought patiently and persistently to receive much needed support and approval for continuing on our path while being aware of circumstances and limitations pertaining to municipal work, and

the need to avoid conflict with other proposals. We continued to voice our concerns, and highlighting the benefits of our approach. In the following pages, I will summarize some of these initiatives, designated under specific categories, so as to provide the reader insight regarding the challenges facing municipal work.

Fourth: Restructuring the Geographical and Spatial Distribution of Municipal Services. (1998)

The city of Riyadh and its people greatly benefited from the presence of its Governor, Prince Salman bin Abdulaziz. Some of this was expressed in his keen desire for, and direction towards, the adoption of initiatives that would lead to a serious implementation and institutionalization of a decentralized administration. The municipality assimilated those directives and wishes and in response HH was presented with a series of initiatives and proposals

I had prepared a research paper about ‘Decentralization and the city of Riyadh’, while chairing the urban planning department at King Saud University, and began taking steps towards its publication in a scientific journal. However, I halted the process upon assuming the mayoralty of Riyadh, preferring that it should be presented to the Governor of Riyadh instead. My hope was that the paper and its recommendations would receive approval so that it can be implemented in practice, which thankfully was realized.

The paper called for coordination among different sectors, especially in matters related to decentralization programs, with a focus on the importance of unifying the spatial domains of different services. For example, coordinating decentralization plans and unifying locales would leave a positive impact not just at the level and quality of services provided to citizens, but also as it relates to urban planning decisions and programs. This would facilitate and enable the collection of information and the publication of data and statistics, which would help different authorities as well as researchers and scholars, in evaluating the provision of services and making comparisons between city districts across different time periods.

In 1999, Prince Salman bin Abdulaziz agreed to the proposal presented by Riyadh Municipality concerning the strengthening of administrative decentralization in the city. The proposal recommended the necessity of unifying and limiting the geographical spread of administrative services and their branches. Many governmental authorities had established divisions in different parts of the city, motivated by a desire to make it easier for citizens seeking assistance. And while this had many positives there were also some negative repercussions. For instance, some departments founded branches over

the years, according to their specific resources and plans without coordinating with other sectors, and without guidance from an overall program or plan for all governmental authorities. This led to varying geographical boundaries for these agencies. There are differences between the districts served by Malaz Municipality, Malaz Police Department, Malaz Health Center and so forth. Thus the Governor of Riyadh decided to redraw the geographical boundaries of sub-municipalities so that the administrative borders for these different authorities -- Police and Civil Defense, Education, Health and other service sectors --are unified.

In an effort to further advance these plans towards administrative decentralization, the municipality, established authorities to grant licenses, provide park services, and make provisions for waste collection in each sub-municipality. Contracts for the latter were allocated at the scale of municipal districts rather than the whole city. This applied to other contracts such as maintenance and operation. Moreover, heads of sub-municipalities were given increased authority in administrative, financial and technical matters, with the overall objective of enabling their independence. In turn, this would support their ability to be in complete charge of their geographical domain.

There is no doubt that Riyadh with its rapid population rise, and increase in land area – considered among the highest in the world – represents a challenge for urban governance. A city, whose population half a century ago did not go beyond 220,000 residents, has now exceeded six-million. It has become a center for diverse industrial, commercial and service activities. Such massive growth necessitates an equivalent increase in service provision and its distribution according to a plan that considers the proliferation of new areas and districts, and accommodates changing population demographics.

Upon assuming the mayoralty of Riyadh, I was strongly convinced that paying increased attention to strengthening the role played by administrative branches of different governmental authorities in providing services to citizens, and transferring administrative burdens from the center, is necessary and good. It elevates the quality of services, making them easily obtainable by residents, and gives the central administration more leeway to formulate higher strategies. This approach was, for the most part, an individual effort, and a response to pressures which could not be resolved through a guiding framework or strategy. Indeed, absent was a consensus on how to divide

Riyadh based on an appropriate level of service provision that would be implemented by departments distributed according to proper spatial criteria. Information mechanisms were not developed consistently so as to collect and document data and statistics needed, to plan services to keep pace with the city's expansion.

At the time, we judged that synchronizing services, by developing an overall framework for its spatial domain, would aid in their efficient distribution throughout the city. It was crucial to estimate population density for each district, plan the extent of service provision based on these measures, and develop an information and planning database that would enable officials to monitor and estimate service shortages. The identification of domains would also help other service providers target developmental efforts and recognize the discrepancies between city neighborhoods. Consequently, authorities will be able to deal with and evaluate disparities in service provisions, and what that entails in terms of planning and follow-up.

As I noted before, the division of Riyadh evolved historically from 6 urban divisions in 1977 until a Royal Decree was issued to increase the number to 10, following a recommendation by McKinsey Consultancy. Each of these divisions was assigned a municipal sub-branch that reports to Riyadh Municipality. In addition, four new sub-municipalities were established in 1980; and two new municipalities were founded in the city's outskirts under the umbrella of Riyadh Municipality.

In 1998, Riyadh was comprised of 16 sub-municipalities which included Dar'iyah Municipality.¹ There were 13 police stations and 6 civil defense units. Service centers for utility subscribers were divided as follows: 3 for water, 4 for electricity, and 12 for telecommunications. The Committee for the Promotion of Virtue and the Prevention of Vice had 29 centers; there were 6 Post Offices, 7 Red Crescent Societies and 56 Health Centers. Additionally, there were main administrative units for the Central Court, Passport Administration,

1) Dariyah Municipality was subsequently associated with the Ministry of Municipal and Rural Affairs (MOMRA) as a Municipal Governorate. Then, it was subsumed under the umbrella of Riyadh Municipality after its development into a Municipality for Riyadh's Metropolitan Area. This was according to the 2005 MOMRA Ministerial Decree, based on a Royal Decree and a decision by the Ministerial Council. To that end, the Municipality of Riyadh became responsible for all cities and municipalities in the Greater Metropolitan Region.

Traffic Department, Notaries, and Civil Affairs. We also presented some urgent proposals which on the whole were comprised of an elaborate process to re-divide the city of Riyadh based on the domain of respective services, thus allowing for an easier engagement with their providers.

The suggestions by the municipality aimed at achieving the integration and balance of executive outcomes for development programs implemented at the city level, as well as measuring the degree of success for development efforts undertaken by different authorities. The idea was to create an organizational framework that would facilitate a full or partial unification of different service domains, and coordination between providers. Finally, our aim was to establish a special mechanism concerned with the organization, supervision, coordination, and follow-up on all matters related to Riyadh's new geographical subdivisions, both at the governmental and private levels.

The state of service distribution was quite chaotic. For example, there were 18 sub-municipalities: Deira, Al-Batha, Manfuha, Al-Malaz, Utaiq, Al-Olaya, Al-Nasim, Al-Rauda, Al-Ma'azar, Um Al-Hamam, Al-Shamal, Al-Janoub, Al-Oraija, 'Arqa, Al-Ha'ir, Sulai, and lastly, Al-Dariya. Security services were distributed in a different manner. Riyadh had 12 Police Stations, none of which corresponded in their designation or domain they served with the geographical divisions of the municipalities and their respective districts. As for the civil defense and fire stations, the Riyadh General Directorate for Civil Defense served six geographical divisions. Each is comprised of several branches numbering 28 in total, and they in turn do not follow the sub-municipalities either. Similarly, the health services, comprised 56 health centers distributed throughout the city without being linked, in name or service domains, with the geographical divisions of the municipalities or neighborhoods. The Committee for the Promotion of Virtue and Prevention of Vice had 29 centers not related to the geographical divisions of municipalities and neighborhoods as well.

It is of course not a matter of preferring numerical equivalence, but on establishing a correspondence between geographical divisions and the appropriate provision of complete and integrated services. The debate was concerned with streamlining a huge service provider comprising administrative units in a unified framework that would deal with, and interact, effectively with the needs of citizens.

It was imperative to resolve differences and divergences between these different administrative levels, in addition to specifying the locational domain for services pertaining to each unit or center. The redistribution of tasks among them, despite the absence of a unifying and comprehensive plan for decentralization, was also required. By observing and monitoring the situation we were able to identify a number of problems which needed to be resolved. Those ranged from inconsistent designations; inappropriate service provision domains; differences in approaches to geographical divisions; difficulty in reaching headquarters of sub-municipalities; variations in the domain of service allocations for each unit; and ownership of the premises of headquarters and their appropriateness for the type of service provided as well as the problem of integration and coordination of services amongst administrations. All of these problems were attributed to the absence of an information and statistical database linking those services. Also at stake was the absence of the geographical location as a reference for analyzing information and decision making

Inconsistent Designations:

We noticed that departments utilized inconsistent designations when naming their branch offices. Thus, some sub-municipalities were named after the neighborhood they are located in, or the specific domain where services are provided. Other departments followed a different approach. For example, the Committee for the Promotion of Virtue and Prevention of Vice adopted mixed designations – some of which included the name of neighborhoods, while others carried names of the Prophet's companions and notable figures. The absence of a unified designation caused confusion among providers and residents. Therefore, we felt that it is better to unify designations, even if only partially. Where needed, the designation would be synonymous like, for example, Aly Bin Abi Taleb center in Sulaymaniya.

Inconsistency between the Designation and the Service Domain:

In many instances some departments named after the district they were located in, did not provide services that would be commensurate with their particular geographical boundaries or domains. This was a source of

confusion, and sometimes, resulted in errors. For example, the assumption was that the municipalities of Olaya and Sulaymaniya will provide services in an area and a geographical domain similar to the domain of its health center. However, the reality was quite different.

Absence of an Explicit Criterion for Establishing Subdivisions:

There was no attempt at following the subdivisions stipulated by Riyadh Municipality. Though the discrepancy in the number of subdivisions is not necessarily a problem, as long as it follows a clear system which organizes them. Yet, such a system did not exist.

Differences in The Mode and Style of Establishing Geographical Subdivisions and Service Domains:

Each department had a different mode and style in subdividing the city. Some followed a hierarchical division such as the Directorate of Civil Defense which divided Riyadh into six major sectors. Each of those was comprised of sub sectors. Some based their geographical divisions on the area and the approximate number of residents similar to the municipalities which divided the city into 16 sub-divisions. Those were more or less equal in their authority, and were accountable to the central administration of Riyadh Municipality. As such, there was no hierarchical structure for those sub-municipalities. The Committee for the Promotion of Virtue and Prevention of Vice followed a detailed approach in locating its centers near shopping malls, regardless of population numbers or geography.

It is certainly acceptable to recognize that there are differences between departments which vary in the range of services they provide, based on their specific nature and the targeted demographic. For example, sub-municipalities may serve 200,000 residents, while Health Centers accommodate 50,000. The most important consideration here is coordination, so that the range of services provided by the health center corresponds to the range of a municipal sub-branch, and that there is an overlap in the geographical area they serve. This avoids a situation where the service range of a health center is shared by two sub-municipalities.

Premises Ownership and Appropriateness for Public Service Provision:

Many of the premises of the administrative units and offices of the sub departments were leased and not owned. For example, the premises of six sub-municipalities were owned by the Riyadh Municipality while the remainder, numbering 10, were leased. The Committee for the Promotion of Virtue and Prevention of Vice only owned one building and the rest (38) were leased. Similarly, health centers occupied four buildings which were government owned, and (52) were housed in leased properties. Most police stations, were in leased premises as well. The problem was not the ownership of buildings but that the leased buildings were mostly initially designed for residential use. Thus, they were not suitable to fulfill their function in providing relevant services. In addition, being located in the midst of residential areas had a negative impact on the overall residential environment by creating an imbalance and a chaotic land use. Citizens had difficulty finding their locations, and the situation also caused traffic bottlenecks due to the lack of parking and the unsuitability of those locales for such uses.

The Integration of Services and the Remoteness of Sub-Municipality Headquarters

The spread of, and large distances between, the offices of different administrations in each district increased the suffering of employees and citizens, especially since some were located in obscure areas, while others were right in the middle of residential neighborhoods. Those locations were selected without any consideration for creating a spatial relationship between them.

Notwithstanding the distance, the logic of service provision entails assembling all administrative branches in a specific district in one location, or in close proximity to each other, in case they are housed in different buildings, thus facilitating accessibility and saving time for citizens seeking services from more than one department. This applies particularly to those that are functionally related, such as the notary public, civil defense units and police stations. Grouping would also facilitate a better provision of amenities for those centers, such as parking, not to mention the preservation of residential privacy that is usually violated when these departments are distributed throughout the neighborhood.

At that time, a positive step was noted as service providers started to adopt a type of decentralization, which culminated in several distinct urban divisions. However, the judgment was that success was contingent on adopting a unified approach for coordination, collaboration and planning between different public and private sectors at the city scale. Given the absence of a standardized approach or framework for such an endeavor, individual improvisations of different administrative departments remained the prevailing pattern, while coordination and a common mechanism that would conserve resources, and ensure the exchange of ideas and experiences faded away. Accordingly, the proposal and general vision for the development and re-distribution of the geographical domain of sub-municipalities had to be in line with the designations, certified subdivisions and coding of Riyadh, even if this entailed modifications to the designation and coding system. Some sub-municipalities were renamed so as to better represent the area served or the main street along which they are located.

The domain of sub-municipalities was further subdivided into smaller divisions, designated with sub titles, thus the city was divided into 16 or 17 sectors or areas. Each of those, was designated a sub-municipality. The sub-municipalities were further divided into 6 or 5 departments to be in charge of residential neighborhoods. Each of those departments remained within the administrative framework and the premises of the sub-municipality. The neighborhood divisions as adopted by the municipality could be considered in this regard provided that an attempt is made to narrow the distances and decrease the number of residents served either by combining neighborhoods, or by further subdividing some of them.

Accordingly, the system of subdivisions was adopted as a basis for further partitioning by other governmental authorities. Departments which do not need the same number of municipal subdivisions may work within the spatial domain of two or more municipalities provided that they commit to the full domain of each sub-municipality. Further, the boundaries for the domains should be shared and kept intact. Similarly, authorities' departments that require subdivisions larger than the municipal ones should commit to the 'center' or 'centers' proposed by the sub-municipalities as long as centers belonging to different sub-municipalities do not overlap.

All governmental departments and authorities should collect, document and disseminate information and statistical data on the basis of hierarchical

sub-divisions comprising the main sub-divisions denoted by smaller centers. That would allow a proper comparison between Riyadh's different districts. Thus, planners and researchers could easily benefit from such information and statistical data when preparing urban studies and plans. Furthermore, it helps authorities in making decisions relating to the city, and what it needs for developing, evaluating or adding services and utilities.

The need to coordinate between the different parties participating in development so as to unify the general framework of service domains in Riyadh was required. There was also a need to reinforce the role of sub-municipalities in delivering services to citizens, as well as bearing the administrative burdens instead of the central departments which was supposed to concentrate on setting policies and strategies.

Some departments upgraded their service provision to the public by sub-dividing the city without any coordination with other parties involved in urban development, which resulted in conflicts as noted. Thus, revisiting the city's subdivisions became essential so as to unify the spatial domain of all parties concerned with providing services to city inhabitants. Therefore, Riyadh Municipality applied a series of prime criteria and standards to subdivide the city anew. Featuring prominently was the utilization of the city's major thoroughfares, such as the King Fahd highway, the Mecca al-Mukarrama highway, and the Ring Road which facilitated its division into northern, eastern, southern and western sectors. Population density was another criteria for dividing the city into areas with high, medium and low densities. The municipality also regarded the city's natural features such as valleys, river beds and mountains as one of the main criteria for setting the boundaries of administrative districts. Examples include Wadi Hanifa, Wadi Sulai and many others.

The objective was to unify the geographical reference points for all service departments. Thus, for example, when the Olaya sub-municipality issues a number of construction permits or trade licenses for a certain area, it would be the same area where the Olaya police station reports accidents, or where its Traffic Department records traffic violations. All of this would allow decision makers to make appropriate decisions for the geographical area named Olaya while integrating residents' demographic data, number of residences and cars, social status and other statistics that may further help the decision maker and his aides.

Fifth: The Unified Administrative Centers' Buildings Program (2001)

Cognizant that Riyadh has become a group of cities in one, and aiming for sub-municipalities to establish nuclei for small financially and administratively independent cities within Riyadh while enhancing coordination between the various service providers in those cities, a program for unified administrative centers' buildings (UACBP) was founded to house the service administrations. Given that the service providers' branches were, and still are, scattered far afield in Riyadh, thus forcing citizens to move around consuming their time and effort to attend to their errands, and contributing to traffic congestion. In addition, the distribution of services in the city did not match the domains or densities it was supposed to serve. Many of those branches, furthermore, were housed in leased premises that were inappropriate for their performance, in the midst of residential areas bothering residents and rendering parking of their cars more difficult in the neighborhoods and in front of their homes. That situation called for more permanent and organized headquarters.

The idea for establishing unified administrative centers was based on a new administrative subdivision for Riyadh, unifying its domain for all the functioning bodies in the city, and enhancing the orientation of the different urban authorities toward the decentralization of service provision so that every sub-municipality may have a unified administrative center to attend to the citizen's recurrent needs. In the year 2001, HH Prince Salman Bin Abdulaziz, Governor of the Riyadh Province, approved the Riyadh Municipality proposal to establish the UACBP as an executive step to complement the enhancement of the administrative decentralization, establish the local administration orientation, facilitate the citizens' interaction with the service providers and improve the latter's performance. The UACBP involved the establishment of a total of 15 administrative centers in the domain of each sub-municipality. Those would include the headquarters servicing their geographical domains such as the offices of the sub-municipality, police, civil defense, notary public, the Commission for the Promotion of Virtue and the Prevention of Vice, health affairs, electricity, communications, water and sanitation, the Red Crescent and other service departments. Those UACBs should enhance the move from spatial decentralization to administrative decentralization characterized by independent administrative and financial decision making. They would also constitute an administrative and service reference for the

residents of the municipality where the administrative center is located. In 2004, a decree was issued by HH Prince Salman Bin Abdulaziz, Governor of the Riyadh Province, to add a building for the Riyadh governorate in all the administrative centers, so as to confirm his concern and conviction of enhancing decentralization and supporting the local administration.

In 2005, the procedures of an architectural charade for the design of the administrative centers were finalized. In 2006, the first administrative center in the domain of al-Sala to the east of Riyadh was started on an area of around 120000 sq. meters. The construction of administrative centers in the domains of the municipalities of al-Shifa, Nimar, al-Oraijaa, al-Azizia, al-Ha'ir followed and more are on the way. Once completed, they will facilitate the interaction between the different bodies participating in development. The different departments concerned with amenities and general services will get to know about the population and urban growth of the city and activate its administrative aspects. Following is a summary of the most important positives:

- That subdivision facilitates the coordination between the bodies taking part in the development process, and improves the security and emergency aspects. Also, it facilitates the mission of the decision makers regarding appropriate decisions, helps find a clear identity for the neighborhoods included in those subdivisions, makes the services closer to the residents, and reduces the pressure of visitors to the central administrations. Further, residents and concerned bodies can identify the geographical and administrative borders, surveys are facilitated and so are planning studies.
- The administrative centers aim for distributing activities, consolidating administrative decentralization, and reducing the dependence on principal centers in downtown. Those centers would include all aspects of fundamental development and would constitute in their totality, new nodes for the city and nuclei for small financially and administratively independent sub-municipalities in the small cities. The assembly of all the branches of the concerned bodies in one single location renders the city a unique decentralized administrative character. It allows for a clear and easy access to the locations of the centers, a reduction in the time and effort for those seeking the service through seamless procedures in one locale, facilitation of inter-departmental coordination, the elimination of the drawbacks of

the proximity to residences, as well as provides spaces for parking.

- Those centers constitute spaces for the assembly of administration and services and include all the activities which serve large swathes of the population. Thus, they contribute to limiting congestion and the dense traffic in downtown, while making services, amenities, public and private activities closer to the residents of the neighborhoods and the new developments in the city's periphery.
- As a further step to enhance the orientation toward decentralization and local administration, the Municipality advanced a proposal to HH the Governor of Riyadh in 2011 to subdivide the city of Riyadh so as to include a number of administrative centers that belong to the governorate of the city of Riyadh, or other sister governorates within the province of Riyadh. Thus, al-Malaz could become a center or governorate as well as al-Nassim, al-Bathaa, and so on for all the 15 municipal domains constituting the city; especially given that the population of some domains is equal to that of some cities in the Kingdom (for example, the population of Bathaa exceeds 850000 and al-Malaz is almost the same).

The goal of the proposal is to deal positively with the city of Riyadh based on the premise that it is a group of cities in one. Such an approach would facilitate the planning, supervision and monitoring of the central administration while delegating the daily executive chores to the 15 centers in the field. Thus, the residents would enjoy the proximity of the service bodies and the ease with which their needs are met. Further, the municipalities and the sub-bodies will have the opportunity to have independent budgets and administrative decisions that would serve the residents of each center.

Sixth: Program for the division of cleaning contracts (2003)

The steps taken by the Municipality to enhance decentralization led to other steps toward more decentralization which cannot be elaborated in detail. I will just highlight one of the programs which contributed to its success, namely, the cleanliness contracts which started to be developed in 1997 and was initiated after the termination of the contract valid at the time in (2004).

The cleanliness set-up in Riyadh passed through different phases. The first phase was before 1977 when the municipalities offered its services based on its own resources. In the second phase, between 2007 and 1987, cleaning was delegated to a specialized international company while the Municipality allocated some areas in the city's periphery to small national companies. In the third phase, between 1987 and 1997, the whole operation of cleaning was allocated to a big national company in collaboration with small national companies which were responsible for low density peripheral areas. As for the fourth phase, which is of interest here, it started in 1987 when the Riyadh Municipality felt the need to adopt new comprehensive development programs for the cleaning sector that would match the large and fast growth of the city, and cope with new developments, as well as the modern accelerating variables. Based on that, it approved modern development programs that enabled it to make a qualitative leap in that service, thus becoming a model for other municipalities in the Kingdom of Saudi Arabia. Most notable of those development programs is the program for the re-division of the cleaning contracts.

The cleaning contracts in Riyadh used to cover 70% of the area of the city, in addition, small contracts involving small establishments with limited labor and expertise covered the remaining areas. The Municipality for its part served areas beyond the domains of the contractors. Several negatives ensued due to the centrality of operations since the work was done by one company. In case there were shortcomings, it would impact the entire city. In addition, operation policies which were limited to the approach of one person (i.e. the manager of the project) did not lend itself to competition with others and therefore curtailed innovation, development and better conceptualization. Since the workers resided in one place, moreover, some neighborhoods were better served than others with varying quality. Most notably, the Municipality was incapable of intervening when the principal contractor fell short of

undertaking certain missions in a neighborhood, or more, covered by the contract due to the large sized areas or densities. Since some neighborhoods were far afield the proper delivery of the service was exacerbated and that, in turn, made it difficult for the Municipality to monitor and supervise. Big differences existed between the capabilities of the contractors. The small contracts allocated for the periphery of the city encouraged small companies and firms to bid while neither having the financial nor human resources to fulfill their obligations.

Given that, the Municipality prepared a plan, and formulated detailed studies marking a daring and unprecedented step in the Kingdom to re-divide the contracts so as to reduce the risk of contracting one principal provider. It also encouraged Saudi contractors with small companies to join the experiment and develop their companies and expertise. The field for competition was opened for national companies to benefit the cities, impact the general cleanliness, and finally upgrade the cleaning industry in general. In addition, sub-municipalities were enticed to become full partners with the Municipality in supervising, following-up and monitoring those contracts and thus set the stage for the delegation of the full responsibility to the sub-municipalities based on their geographical domains.

The Municipality established certain regulations in the plan for dividing contracts. All contracts covered areas limited by major streets and were based on the geographical distribution of the city and the residential densities. The divisions took note of the new subdivisions of the sub-municipalities and the locations of the existing major arteries, such as the King Fahd and Mecca thoroughfares, as well as the homogeneity of neighborhood services such as public amenities, educational services, malls,...etc. The division aimed at facilitating accessibility to the contracted areas, exiting it through major arteries, as well as simplifying the monitoring and supervision of those contracts.

The division was established after the implementation of unifying the limits and geographical operational domains of the service administrations of Riyadh by the end of 2001. Accordingly, the city was sub-divided into 15 municipalities with distinct features. Eight new contracts were initiated in al-Roda/ al-Shamal, al-Janub/ Manfouha/ Eitigah, al-Ma'ther/Arafa, al-Nassim/ al-Sala, Olaya/Sulaimanya, Malaz/Bathaa, al-Oraijaa and ed-Deira. Though

some of the contracts involved 2 sub-municipalities, the limits, requirements and costs for each sub-municipality was clear and agreed upon. Thus the Municipality was able to withdraw any cleaning contract in the domain of any sub-municipality and hand it over to another contractor. This was the case if an approved contractor failed to fulfill the conditions of the contract, or undertake the general administration of cleaning services outside the city including retreats, shepherds' gatherings, cattle farms and wildlife parks.

Perhaps, one of the most successful approaches which upgraded the level of cleanliness in Riyadh was contracting specialized consulting firms in development and supervision to work side by side with the general administration for cleaning to follow up on projects. Thus, all stakeholders worked in unison to keep Riyadh a "clean city." Through its ambitious and rapid adoption of modern technologies in that field, the Municipality developed methods for control and supervision to manage those contracts through tracking devices that located equipment, in addition to using computers to follow-up and prepare monthly reports on the availability of labor and equipment on site. Technology was employed to monitor incoming and outgoing equipment, collect information on their movement, and control the vehicles and containers entering and exiting the garbage dumps. Detailed reports were prepared on garbage dumps and the citizens' complaints were analyzed and handled promptly.

The Municipality regulated the garbage container sites, eliminated all barrels from major and commercial streets, and restricted the number of containers to the minimum possible. Unified designs for the containers needed in 6000 fixed locations were implemented thus doing away with the negative ramifications of the existence of barrels and containers in major and commercial streets in 2008. The Municipality also separated the contracts for health protection and pest control from the cleaning contracts to raise the efficiency and performance of the specialized authority. A number of objective programs and awareness campaigns emphasizing the importance of cleanliness for public health were implemented to further induce a culture of hygiene. In addition, the Municipality developed a system for managing municipal waste which was divided into two major sections: a database section including detailed information on issues relevant to cleaning such as a human resources database including the worker's code, the type of work, the residence permit number, the passport's validity, as well as the nationality.

As for digital maps, it included all those relating to cleaning activities starting from the map showing the areas of the contracts across Riyadh, and ending with maps showing the distribution of workers in areas which are manually swept. That database includes around 2000 digital maps.

Thus, the Municipality made a pioneering and positive step which aimed at developing the cleaning services in Riyadh and upgrading it in a way that befits the capital of the Kingdom of Saudi Arabia, as well as, cope with, and realize the ambitions of its citizens. Time has proven the correctness and wisdom of the decisions and its positive impact on the city, its residents, and on the urban cleaning industry in the Kingdom, in general. In lieu of the monopolization of the cleaning contract by one big cleaning company, which was centrally administered, the Municipality was able to divide the contract to many contracts at the sub-municipal level and offer the contracts for bidding by various companies. That led to upgrading the service, eliminating the monopoly of the single contractor, helping various contractors to develop small and medium firms which eventually grew, and consolidating the cleaning industry throughout the Kingdom. In addition, it enhanced the principle of decentralization by enabling sub-municipalities to become major partners in monitoring, and following up on the contracts of the cleaning companies within its geographical borders, instead of having the central administration in the Riyadh Municipality dominate the cleaning effort with all its details.



أمانة منطقة الرياض

تقرير مرفوع من أمانة مدينة الرياض

لصاحب السمو الملكي وزير الشؤون البلدية والقروية

أهم القضايا والمواضيع المرتبطة بأعمال الأمانات والبلديات وإختصاصاتها
والعقبات والمشاكل التي تواجهها
والتفكير في إيجاد الحلول والمقترحات للمتغلب عليها

جمادى الأولى ١٤٢٤هـ

Chapter 3

Municipal Work: Reality and Aspirations

- Preceding Roadmap for the Municipal Sector

- The 2003 Report

Municipal Work: Reality and Aspirations

Preceding Roadmap for the Municipal Sector

In 2003 we received directives from HRH the Minister of Municipal and Rural Affairs to prepare a comprehensive report identifying the most important issues and challenges facing the work of municipalities, as well as highlighting existing hurdles and problems.¹ Luckily we had at Riyadh Municipality completed a diagnostic report concerning the state of municipal affairs in the city. This entailed the formation of a new approach and a roadmap for the municipal sector to be able to overcome some of the continuously increasing challenges. They have placed municipalities in a weakened position, in many ways impacting the provision of high-quality services. We asked in the report to develop a new vision for the future of the municipal sector, one that also re-imagines cities and villages, ensures the well-being of citizens, and lessens the government's financial burden

At the time, I had spent about five years as mayor. Based on that I can note the following: I gained sufficient experience allowing me to both identify numerous circumstances surrounding municipal work, as well as hurdles preventing the accomplishment of objectives and aspirations as they pertain to the provision of distinctive municipal services. Moreover, we had at our disposal a satisfactory balance of initiatives and achievements.

I submitted the report to HRH the Minister noting in the accompanying letter that its contents need to be further studied and discussed. To that end I suggested holding a symposium under the sponsorship of HRH. Participants would include mayors and heads of municipalities from urban centers throughout the Kingdom; additionally, invitees may also comprise specialists in administrative affairs and others whose work relates to the

1) During my tenure as Mayor of Riyadh (1997-2012), the Minister of Municipal and Rural Affairs was HRH Dr. Mohamed bin Ibrahim Al Gar Allah (1996-2004); his successor was HRH Prince Meta'b bin Abdulaziz (2004-2009); HRH Prince Dr. Mansour bin Meta'b bin Abdulaziz was Vice-Minister (2006-2009) which was followed by an appointment as Minister (2009-2015).

municipal sector. The overall objectives would be a discussion of the report, incorporating feedback from stakeholders, and formulating a future vision for the municipal sector.

The report reviewed a plethora of municipal problems as well as achievement challenges. These were further amplified by shortages in a qualified workforce; lack of clarity in some administrative procedures; as well as a general ‘weakness’ in work and institutional performance which led to a situation whereby the sector was inundated with daily problems. In addition, there was also an absence of both a clear vision for the future, and mechanisms for achieving objectives.

Accordingly, we focused on four aspects deemed as crucial in facilitating the proliferation of new initiatives and development efforts. They generally aim at providing a corrective measure for the municipal sector, but more specifically are targeted towards urban governance, and can be summarized as follows:

First: Formulating a new futuristic vision for the municipal sector

Second: Confronting the state of municipal finances and supporting their financial independence

Third: Developing the concept of local urban management

Fourth: Reconsidering the municipal land allocation program

Following the submission of the report, the Minister requested its review by mayors of four major cities, in an effort to elicit their feedback: Mecca Al-Mukar’rama, Al-Medina Al-Munawara, Jeddah and Dammam. And indeed, a meeting was held where I presented the report. We discussed what it contained in terms of ideas, analysis, and the roadmap which all aim at elevating the quality of municipal work. There was broad agreement and consensus about the report and its contents. The outcomes of these discussions were subsequently conveyed to HRH the Minister.

Unfortunately, the Ministry did not respond as we had hoped to the report and its recommendations. Thus, at the municipality we came to realize that we had to continue in our efforts, and proceed with work, within the

limits set by the municipal mandate without waiting for support from the Ministry. Accordingly, we considered the report a roadmap, and strived to achieve and improve where possible.

The following section presents a summary of the report. It starts with the Table of Contents to provide an overall view.

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The 2003 Report

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Fourth: Future Vision for the Land Allocation Program

- Future vision of the land allocation program
- Reality and aspirations in land allocation: Depletion vs. investment.
- A house for each resident: An achievable objective

First. Municipalities: A General Future Vision

The report pointed out that municipalities and Saudi cities need to reconsider, renew, update and develop a new futuristic vision. Especially since municipal services strongly relate to citizens, and go beyond their relationship with the built environment to impact the citizens and the nation socially, politically and economically. The report suggested emphasizing the need to formulate – or better still ‘design’ -- a future vision for the municipal sector in the Kingdom that would anticipate the future of cities, and villages to ensure the well-being of citizens and reduce the government’s administrative and financial burdens.

The Financial Standpoint:

It is critical that the ‘vision’ should encompass the future of large, mid-size, and small cities and their balanced development. Also, it needs to support large cities so that they move towards financial and administrative independence, rely on their own resources, and alleviate the burden on the central administration. This would ensure that increased financial and administrative resources are available for small cities, thus saving them from disappearing off the map of Saudi development. Large cities should not be dependent on the resources of the state. Numerous international city experiences in revenue generation may be emulated so as to relieve the burden on citizens. At the same time, the state would not be compelled to spend on large cities where supporting development is inappropriate. It is worth noting that in the report I recommended to His Excellency, the Minister, to divert all the municipal budget towards middle and small cities. This would leave large cities to their autonomous finances after establishing regulations and incentives to develop a balanced program that would increase revenues and raise the quality of services.

The Administrative Standpoint:

Although the municipal sector was theoretically founded on the principle of administrative decentralization, the actual implementation of such an approach was beset with negatives due to well-known logical and practical reasons. For decentralization to succeed, appropriate technical

and administrative capacities need to be provided, which is an issue that municipalities in general continue to struggle with. The report called for increased decentralization and privatization. The central agency would be dedicated towards following up on the application and implementation of such an approach – supported by an organizational framework based on relevant studies, effective supervision and the creation of a competitive atmosphere between administrative sectors

On the other hand, the relationship between the ministry, municipalities and other relevant authorities, as well as between the municipalities and municipal sub-branches, were in dire need for administrative restructuring. The municipal system dating back to 1977 has become archaic, requiring a re-assessment and the establishment of a new system compatible with emerging municipal needs, in particular as they relate to large cities.

There also is a need to distinguish between policy and executive issues and for that to be reflected in the municipalities' organizational framework. At the same time, officials need to be cognizant of the environmental and social differences that exist between various parts of the Kingdom. Unifying urban regulatory systems across large, mid-size and small cities is thus in need of reconsideration.

Second: Financial Allocations and the Real Challenge Facing Saudi Cities

The report emphasized that the real challenge facing Saudi cities is in their transition from complete financial dependence on the state to self-reliance on their own revenue and municipal investment. Undoubtedly, such a transition necessitates proper preparations, and opening new channels and appropriate mechanisms to achieve that goal. In order to accomplish this, it is critical to consider the gradual implementation of a futuristic plan which avoids placing any burden on citizens. In general terms, municipalities should not resort to collecting fees and direct taxes.

Municipal administration is also one of the most important and basic sectors, in need of re-examination so that it can be restructured and developed

further. There has to be administrative reform which is in keeping with contemporary urban affairs. This entails, at a minimum, strengthening the principle of decentralization, the delegation of authority, accompanied with proper technical and training support for numerous municipal sectors.

Additionally, the technical aspect of municipal sectors is in dire need for support and development. In that regard, municipalities can learn valuable lessons from the experience of Saudi Banks. These financial institutions, with the aid and collaboration of a strong and advanced foreign partner, moved beyond a stage in which the opening of an account in a branch, inquiring about a balance, or simply withdrawing money, was a matter of great difficulty. Instead, capabilities and modus operandi were modernized, and the quality of investments and administrative processes were raised. Municipalities have free reign in emulating such an experience by partnering with specialists and experienced professionals, and through the provision of training programs.

A strong financial capacity, when combined with proper administration and planning, can lead to a positive change in the status quo. This would generate a more positive outlook thus enabling cities to raise their performance and improve the quality of services offered to citizens.

The State of Municipal Finances:

The report dealt with the current state of municipal finances by taking into consideration two aspects.

Aspect 1: Municipal financial allocation is insufficient. Accordingly, cities and municipalities are neither able to carry out their tasks in a satisfactory manner, nor can they effectively prepare for the future, or accommodate residents increased and varied need for services.

Aspect 2: There is an increased opportunity for large cities to be financially self-reliant and to decrease the state's financial burden. They have the ability to double their revenues through numerous channels, activities and resources that do not financially impact citizens. In that regard, the budget of Riyadh Municipality in 1980 was 1.6

billion Saudi Riyals. At that time, the city had a population of around 850,000. Expenditures per resident, based on the municipal budget, were around 3,000 Riyal/year. By way of contrast, in 1999, the population reached about 4 million, while the municipal budget decreased to 600 million Riyals. Accordingly, yearly expenditures for residents decreased to 150 Riyal. This confirms that what has been allocated to Riyadh's municipal sector did not exceed 5% from its actual need, especially if a comparison is made between the 1980 and 1999 achievements.

The report noted that the conditions of our cities are attributable to governmental support in the last three or four decades since the beginning of 'financial abundance,' state investments, and large financial allocations. Otherwise, how could Riyadh, and many other cities in the Kingdom, have accommodated the unprecedented and continuous population growth? The report highlighted that there is no escape from strengthening the decentralization of municipalities, by giving them more flexibility and guided independence to eliminate red tape and increase resources, given the decrease in government financial support, increase in population, expansion in areas and housing, as well as the changing nature of service provision. Saudi cities have no choice but to be completely self-reliant, increase their own resources, and open new revenue channels in a way that would not have a direct financial impact on citizens. That requires effective and daring initiatives, as well as organized and practical steps. For example, the report posed a few pending questions, yet to be answered by municipal authorities:

- What do we plan to offer to our cities in the next 20 years?
- How can we sustain resources given increased needs and a rapid population rise?
- Can our cities continue to rely on their limited revenues?
- Can municipalities reach a level of financial self-reliance?
- How can municipalities further develop their investments?
- To what extent can we deal with the conditions of small and mid-size cities which do not have investment revenues?

In response, would our cities be able to expand their own capabilities and accrue benefits by successfully developing and diversifying their revenues? Or, will they continue to completely rely on governmental support? The report presented a series of financing options by which Riyadh Municipality was able to support and secure its future needs, and cover a possible reduction in city allocations given the general trend toward a decrease in governmental spending. As a general rule, financing, according to official state policy, should neither directly impact citizens, nor be based on taxation, collection of fees or other burdens.

The 2003 report noted several possible income streams proposed by the municipality, including the creation of financial funds, as follows:

- Expropriation Fund
- Revenue Fund
- Project Financing Fund
- Land Allocation Development Fund.

Municipal Private Sector Partnership:

Development of fee regulations, fines and municipal investments:

The report pointed out that combining the revenue of these funds, in addition to any income related to land investments from the allocation program and other similar sources, in a unified fund (City Fund) would result in substantial financial savings. Such savings would enable Riyadh Municipality to maintain the city's achievements, and ensure its sustained development in the future.

Third: Cities and Urban Governance

The report called for envisioning a future in which municipalities adopt a new mode of urban management that would ensure their ability to overcome bureaucratic obstacles and hurdles. It also requested a reconsideration of administrative relationships in the municipal sector, both at a city and regional level. This would enhance decentralization and

encourage financial and administrative independence. It would also reinforce the role of the private sector in undertaking some of the municipal tasks, while emphasizing the separation between legislative and executive branches of the regulatory structures of municipalities. The key to this, and a starting point, is the adoption of a new program for a modern urban management of cities and municipalities based on decentralization, delegation, emulation of international best practices of city administration, as well as partnering with consultants and specialized experts to effect the transfer of know-how and modern management techniques.

The report further examined a number of sub-issues including the weak financial capacities of municipalities, and the shortage of a qualified workforce. Further, it highlighted the unbalanced status of the municipal administration, which was marred by improvisation and ad-hoc practices; dealing with urban development by “extinguishing fires,” rather than preventing them; being reactive rather than proactive; following up on developments rather than actively guiding them. The report further added that municipalities have neither adopted the municipal regulatory stipulations issued in 1977, nor have they developed a new system for their work. Associated with that was an absence of a precise organizational framework, and the non-existence of proper job descriptions. Keeping a record of municipal procedures, and an imprecise definition of the intra-departmental mechanisms both at the central and branch levels was also lacking. The substantive inconsistency in the delegation of authority made any efforts to assess and evaluate the performance of municipalities difficult and imprecise. It was a situation of ‘extreme centralization’ where detailed affairs that should have been the purview of municipal divisions were taken up by the center, whereas matters of strategy and planning, and consequential decisions, were left for the sub-municipalities.

Furthermore, the report pointed out that in 2000, Riyadh Municipality employed only 25% from the total personnel it had in 1980, instead of increasing their numbers to cope with the rise in population or the lack of technology and outsourcing to the private sector! Essentially, the number of employees remained the same, even though they were required to serve a much larger population (See Table 1).

In its sub-sections, the report identified numerous parties involved in

the decision-making process which have strongly impacted the management of urban planning and development in Riyadh. The influence of those interventions varied according to circumstances; some had a direct or binding effect, while others had an indirect binding or indirect non-binding directive and so forth. Such involvement lacked organization and institutionalization. Thus, the report recommended reconsidering the number of parties involved in urban management and development in Riyadh.

The report alluded to challenges facing cities, such as emerging developments, the inability of municipal departments in dealing with them and launching initiatives. The report dedicated a section to urban centralization and decentralization which focused on new developments and growth which required a new mode of urban management that is compatible with the upgrade in administration required at that stage. The upgrade entailed a modernization of governmental agencies and departments, and streamlining procedures to facilitate the citizens' daily affairs and work routine. Positive steps taken by some municipalities were pointed out, but should be seen as only the beginning towards achieving decentralization in the true meaning of the term: i.e. independence in decision making thus opening the door for creativity, proliferation of initiatives, and encouraging those with talent and innovative ideas.

The report focused on the importance of moving towards a model of administrative decentralization, especially regarding the management of large cities. It also called for finding a new formula to establish flexible mechanisms for administrative decentralization between the Governorate of Riyadh, the Riyadh Development Authority, and Riyadh Municipality and its affiliates as they relate to the Ministry of Financial Affairs. It also confirmed that Riyadh is in need of a new paradigm that would promote a vital role for the private sector. That role would alter the relation with the private sector from that of participation to a strategic partnership in all the domains of development. On top of that, the city is in urgent need of studies carried out by consultants and professional experts targeting municipal concerns and interests. All of this would greatly help municipalities, given the current circumstances requiring a new vision for the service sector. That vision would provide opportunities for increasing revenues, and ensure the maintenance and sustainability of development achievements.

Fourth: Municipalities and Land Allocations

The 2003 report highlighted that the land allocation program changed from numerous positives, to repeated and expensive negatives, the costs of which are borne by both citizens and the city. Land allocations prevailed over the municipal agenda, and were transformed from being the most positive aspect of municipalities to the most negative in all respects.

In addition to the wasted inventory and the future balance of municipalities, the land allocation system did not go beyond distributing lands unsuitable for building, and regarded by citizens as inappropriate for a future residence. Land ends up instead being regarded as a consumerist product that is used primarily for speculation. The current municipal land allocation system paves the way for the costly provision of services in the near future. The problem is further exacerbated by the scarcity of land inside cities to the extent that numerous government departments encounter difficulties in finding appropriate sites for their headquarters. Police stations, sub-municipalities, civil defense units, Red Crescent societies, educational facilities, and health centers, have difficulty finding appropriate sites to deliver their respective services.

The report mentioned that in the past, land allocations played an active role in enabling citizens to own a home, and redistribute wealth. However, the program was beset with problems, least of which was unequal opportunities, the unavailability of land fit for residential use and the existence of a large amount of unserviced land allocation plans which would cost the State a lot to service.

The report called for reconsidering the future vision of the land allocation program, by substituting the program with one that provides residences rather than land. It should be a practical program with a clear timeline. And, it should enable interested citizens to own a residence through easy administrative procedures and without any excessive costs since owning a home is a source of social and economic stability for the Saudi family. Furthermore, a residence is a factor of political stability that engenders citizens' feelings of participating in the construction of their nation.

The report also urged reexamining the extent to which land, especially that owned by the State, is being treated as a speculative commodity that is granted for free to citizens with no return on investment, whether through

future revenues, or by decreasing the cost of servicing such lands, or by fulfilling the need of the State for sites that accommodate utilities and services. The report further questioned the benefits behind allocating land in remote areas which have not been serviced yet and the municipalities are incapable of servicing in the near future. As a result, some of the beneficiaries of granted land resorted to selling at a cheap rate which was less than the cost of paperwork involved in the grant. Without exaggeration, the current system of land allocation in major cities will eventually result in future costs which will be quite prohibitive and excessive. Thus, the report urgently called on municipalities to treat their existing land inventory as a form of capital investment. Such measures are necessary even if they require halting land grants in major cities that are out of stock and redirecting allocations to surrounding governorates.⁽¹⁾

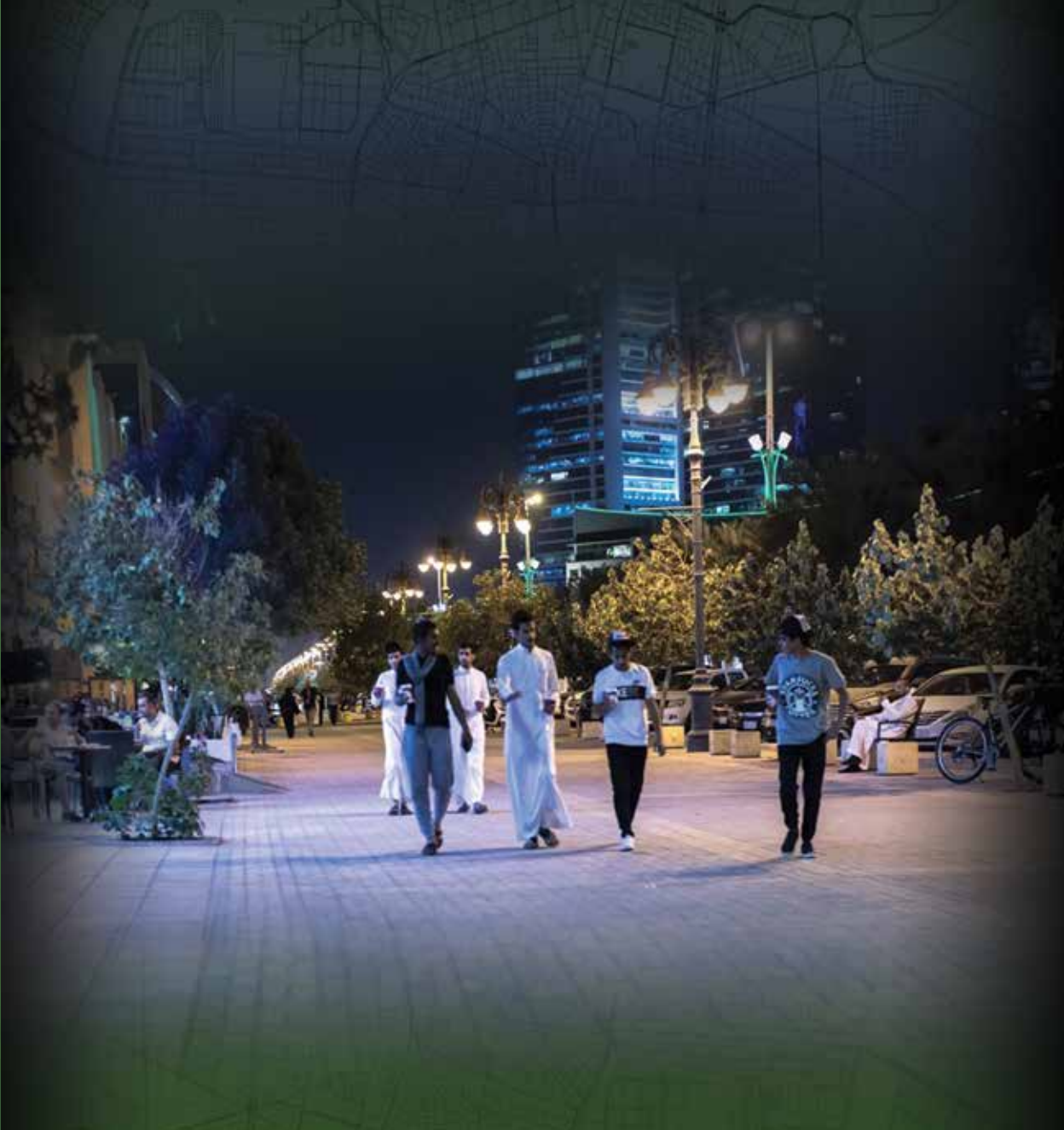
The report alluded to numerous ideas and initiatives in this regard. It included the importance of partnering with the private sector, and allowing it to play a larger and more effective role, whether in privately owned land, or by developing public land and supplying necessary services in exchange for a stake in ownership. The last section of the report focused on the issue of providing a home for each Saudi citizen and noted the contribution of the ‘Real Estate Development Fund’ in offering Saudis ‘soft loans’ which have generally raised the level of urbanism in the Kingdom, distributed wealth among citizens, and enabled them to build their own homes. Indeed, the fund is considered a distinguishing feature in the Kingdom’s development programs. Over three decades, it has ensured the provision of appropriate houses, which had a positive effect on nationals: socially, economically and health-wise.

The report emphasized that the time has come to develop the ‘Real Estate Development Fund’ both quantitatively and qualitatively, especially since these loans play a vital role in guiding the pattern, size and direction of urban development in our cities. More than 70% of the Kingdom’s population is aged below 30, which implies that there is an urgent need for the provision of appropriate housing in the present and the future. The report further stressed that there is an increased desire among citizens to borrow, even though they

1) A royal decree was issued in 2020 to halt land grants in Riyadh, and to transfer remaining grants to cities and governorates within the Greater Metropolitan Area of Riyadh or to cities in other locations.

may have to wait for up to 12 years, or maybe double that period in case the current conditions remain the same. Peoples' hopes for obtaining grants may thus ultimately fade, and given the circumstances the fund may cease to exist.

The report enumerated several ideas and initiatives which would enable the Fund's further development, as well as increase its efficiency and effectiveness, thereby serving a larger portion of the population. I would like to conclude this section by emphasizing the urgency of reforming real estate lending, to ensure provision of housing for citizens. The main objective should always be as follows: *each Saudi citizen should have the ability to build his or her home whenever they wish to do so ... on the condition that a monthly amount ranging from 500 – 1,000 Riyals is deducted from their salary, for the duration of no more than 20 years.*



Chapter 4

The Administrative Side: Seizing Lost Opportunities and Maximizing their Investment

**First: An Initiative for Establishing a New Direction for Municipal Investment.
1997**

Second: Initiatives Establishing Investments for Building Regulations

**Third: Setting up an Initiative for Incentivizing the Private Sector to Engage in
Redevelopment**

Fourth: A Proposal for Establishing an 'Expropriation Fund'. 2001

Fifth: A Proposal for Setting up a 'City Project Financing Fund' 2001

- Proposal for a Land and Property Sale Transaction Fee

- Proposal for a 'Street and Municipal Property Easement Fee

The Administrative Side:

Seizing Lost Opportunities and Maximizing their Investment

Lost municipal opportunities are numerous and varied. Unfortunately, though, while investing, benefitting and maximizing returns is easy, municipalities have been late in taking advantage of them. It seems that municipalities got accustomed to depending on the center for financing their projects and plans, and taking the support of the Ministry of Finance for granted. They were inclined to receive whatever the Ministry allocates based on the convictions of those in charge of specifying budgets and financial appropriations, regardless of the needs of municipalities or the city. Regrettably, municipalities largely focused on the collection of conventional fees. They did not consider at all any new initiatives that would take advantage of lost opportunities capable of achieving high returns, whether financial, administrative or organizational, and without impacting citizens and the services on offer. On the contrary, such an approach would raise service quality significantly.

At Riyadh Municipality, we aimed to adopt a series of arrangements ensuring an increase in municipal revenues, whether directly in the form of service fees favoring nationals and responding to their needs, or indirectly by collaborating with partners who have an interest in taking over some tasks and their financing, which would have been mutually beneficial for both parties. Unfortunately, in the past there were numerous regulatory decisions issued by municipalities which were solely in response to requirements by some investors and developers. Those decisions did not have any benefits for the municipal sector except increasing the administrative, operational and service burden.

Therefore, the municipality strove to implement new initiatives so the sector can be financially self-reliant. This in turn would enable the city to gain organizationally and developmentally, and not only financially. Moreover, in case of any losses, incurred costs can be partially transferred to a third party other than the municipality and the citizen.

With the support and backing of HRH Prince Salman bin Abdulaziz, Governor of Riyadh, the municipality adopted numerous ambitious programs aiming at institutionalizing municipal affairs and orienting it towards decentralization as well as financial and administrative independence. The objective was to facilitate procedures, increase work efficiency, and enhance people's satisfaction with respect to services offered. Some of those programs were achieved while others were initiated. However, some were not accomplished given the central nature of the general municipal work framework. Among the completed programs was the establishment and creation of a Female Affairs Department which had more than 600 female employees in various disciplines; the development of numerous urban planning regulations to ensure the adoption of new ideas and schemes; as well as moving towards decentralization and delegation of authorities, especially in municipal branches and licensing departments. Other accomplishments included setting up a municipal emergency hotline number – 940; launching the Administrative Centers project and the accompanying adjustments of sub-municipal boundaries; distributing sanitation contracts among sub municipalities rather than being monopolized by a single company; and organizing and qualitatively developing the inspection sector with its technical and health components, as well as partially privatizing the activity. Furthermore, a General Investment Administration Department was set up by partnering with the private sector to develop and enhance the efficiency of municipal investments and increase its revenues, in addition to numerous other initiatives.

While municipal efforts were quite diverse, the response from central decision makers – in the Ministry of Finance and the Ministry of Municipal and Rural Affairs – was not commensurate with the municipality's wishes and enthusiasm for development and change. The municipality detected ample opportunities that only needed to be adopted, developed and dealt with in an unconventional way. Such prospects are the real premise for developing municipal work and ensuring its administrative and organizational support; in addition to bringing the sector closer to the society in a manner that would be beneficial for the city and its citizens. Of course, this would be in addition to maximizing revenues from numerous parties in the city who would gladly cooperate with the municipality by accepting what is being required in terms of fees, not by way of a donation, but because of mutual and public interests.

The municipality continued in proposing new and diverse ideas aiming

at seizing opportunities. Those that have been implemented and activated in the real world were called ‘initiatives’; while those that ‘stumbled’ due to our inability to convince the center to accept, were dubbed ‘suggestions.’ And since they remained as such they could be activated and ‘brought to life’ whenever there was an opportunity and circumstances changed. We will review some of these efforts and ideas which aimed at taking advantage of lost municipal opportunities by maximizing financial, organizational and administrative returns.

The initiatives which we strove for at the municipality can be summarized as a search for opportunities where all partners are compatible and feel that they have made considerable gains. In other words, there would be no ‘imposition’ of fees on citizens, investors and developers. Instead, partners would be given additional benefits in return for a monetary charge, and they are free to accept such benefits, refuse them, or continue with the status quo. For example, some of these lost opportunities pertain to the occasional positive response to investors and developers regarding changes in building codes so that they may increase their revenue. The municipality does not necessarily have to benefit financially since there are other advantages to be gained which are worth more than any monetary compensation. However, some investors gain a lot without exerting any effort except for incessantly making demands. The municipality is thus left bearing the financial and organizational consequences for ceding to these requests.

We always considered municipal decisions to have both regulatory and financial values. We will see in the following section how to achieve a ‘regulatory return’ by incentivizing investors to develop specific areas identified by municipalities. The case of regulating 30m wide streets is of particular significance. The return in this instance is achieved because investors waive their right for commercial developments in streets where the municipality aims at reducing such use. It is a voluntary waiver in exchange for incentives in the form of changing building regulations. There can also be a financial return as a compensation for allowing an increase in building height and gross built up area. There were other initiatives aimed at incentivizing the private sector to engage in redevelopment. An example is the revitalization of Prince Mohamed bin Abdulaziz Street, carried out by Riyadh Municipality in 1998. The responsibility for developing land uses and rehabilitating buildings along the street was left to the private sector, i.e. the building owners themselves.

First: An Initiative for Establishing a New Direction for Municipal Investment. 1997

When I assumed the mayoralty of Riyadh, the price of oil, and the general financial state of the Kingdom, was not the best. However, I did not expect that revenues and expenses for the Kingdom's capital, Riyadh -- inhabited at the time by more than 4 million people -- would be so weak. I therefore took the initiative and communicated the municipality's desire to help the Institute of General Administration with studying the establishment of a high quality department for municipal investments so that it may augment the investment in its facilities and collect revenues efficiently and effectively. The Institute did nothing in response. Therefore, a team of specialized professors from King Saud University was hired. They completed a study for setting up such a department in 2000. However, we did not wait for their conclusions, but took some measures to speed up the establishment of an administrative entity within the range of authority available to us at the time.

I expected a city such as Riyadh to be able to generate high revenues. While I was aware that many world cities rely -- to varying degrees upon the center for financing their projects -- the conditions in Riyadh at the time were dire.

This state of affairs was caused by many factors which have accumulated over the years. Technical weakness, preceded by poor control and follow-up, created a perception that municipal investments were largely irrelevant. Added to that, was a lack of professionalism and expertise to develop, control investments, collect revenues and re-invest. In that regard, the municipality possessed more than 10,000 rental contracts. They were all treated equally, regardless of whether it was a 500,000 Riyal contract from the Haraj Souq (used items market), or a contract worth more than a million Riyal from Souq Al Shamal, Otaïqa or Rabwa. They were also scattered among various departments and even different municipal branches. It was not unusual to sometimes find contracts with a starting date but without any specific ending or duration. Surprisingly, some billboard contracts compromised the rights of the municipality. They were written in 2 or 3 pages, using a simple language without getting into any specific details, and only specified the number of boards and their general location without precision. In fact, this was left to discussions and arguments among concerned parties. And while

advertisement revenues at the time were not particularly high, such a situation highlighted the generally low level of investment in municipal professional capabilities.

In a much-appreciated initiative the previous Mayor of Riyadh, Engineer Mosaed Al-Anqari, agreed to the formation of an investment department in 1995. Accordingly, a task force was formed to carry out a comprehensive study identifying departmental tasks and responsibilities, as well as the formation of its technical and administrative sectors. This was followed by a decree from HH Minister of Municipal and Rural Affairs, in 1997, directing municipalities to establish units dedicated to developing municipal investments. Despite good intentions, however, those efforts were not fully realized, at least until the end of 1997. Thus, as a first step for activating such a positive and important approach, we paid particular attention to the status quo. Our aim was to introduce corrective measures which would lead to change and subsequently, overall improvement. We made sure to speed up the formation of a special department which would attract competent specialists in investment, so as to rectify the situation and enable the municipality to avoid duplicity, and unify procedures. This is related to revenue generation and the consolidation of investments, which were shared by many municipal departments such as property management, markets, financial affairs, and sub-municipalities.

Since it was difficult to create such a department, because it required higher administration approvals, a unit was established under the General Administration of Land and Properties, and named the 'Investment Unit'. Its formation did not require procedures or authorizations from outside the municipality. At the same time, we requested support from higher administrative authorities to be able to focus and strengthen municipal investments by employing specialized cadres, as well as increasing necessary resources and capabilities. In 2000, a directive was issued by the Ministerial Council decreeing the formation of a municipal department for investment development in the municipality and sub-municipalities, and the creation of suitable employment opportunities.

Toward the end of 2001 and the beginning of 2002, the municipality established the General Department of Municipal Investment. Its mission was to act as a mastermind that monitors, adjusts and develops revenues stemming

from municipal investments in Riyadh, as well as transform its weak and fragmented setup where opportunities are awaited, to a stronger and thriving one where opportunities are actively sought and pursued. Accordingly, a young Saudi expert was tasked with leading this new department, launching it in a direction that is both professional and effective.

This new investment administration was involved in a number of tasks. For example, it protected municipal investments, standardized investment contracts, collaborated with specialized offices to draft contracts ensuring the preservation of municipal rights, as well as evaluated market needs and requirements to determine the scope of some municipal investments before offering them. It also paid special attention to billboards as a source of municipal revenue, and controlled their distribution throughout the city so as to minimize visual pollution. Similarly, money exchange centers needed to be organized as well – in terms of location and distribution. The list goes on, such as recycling of car tires, recycling of trees, and garbage, in addition to benefiting from regulating many informal activities including trade in scrap metals.

Second:Initiatives Establishing Investments for Building Regulations

- Initiative for developing building regulations in 30m wide streets. 1998

The municipality aimed at engaging with several pressing problems. The first problem related to the horizontal strip development of commercial uses on 30m wide streets, which cut through residential neighborhoods, and raised complaints by residents who directed their objections to the municipal sector. Such strips had negative repercussions from an urban, social and economic perspective. It also made monitoring quite difficult. The second problem was an inability to accommodate the needs of commercial investments given the building regulations and height allowances inside residential districts, which prevented retailers from having a larger built-up area, and increasing the number of stories. The third problem was that many buildings along those streets were of a poor architectural and urban quality. Their design was uninspiring, lacked creativity, and the quality of construction was low. The municipality was keen on continuing the development and modernization of its services, raising its performance levels, and upgrading procedures, to offer citizens a better service. Among its main priorities at the time was the necessity of reviewing building regulations and ensuring their continuous development. It moved to reduce and curtail the horizontal sprawl of commercial activities in residential neighborhoods; increase densities in some areas where capacities for services and public facilities existed; as well as establish urban concepts which affirm an awareness of, and respect for, the socio-cultural specificities of Saudi society inside residential neighborhoods

The municipality in its deliberations with numerous decision levels pointed out the possibility of resolving these problems by utilizing a unified framework that integrates all three axes noted above. As such, the solution lies in establishing regulations to limit commercial activities and prevent their random distribution. In conjunction to such measures is the provision of regulations to preserve real estate values and enhancing the economy of the city, through the modification of building height regulations and the institution of architectural and urban design codes; and developers were obliged to adhere to proper construction standards in areas that were yet to be developed.

In 1998, the municipality wrote to HRH Prince Salman bin Abdulaziz, Governor of Riyadh, expressing a desire for studying that matter further, and offering a new vision that aims to upgrade the existing built environment of Riyadh alongside its major streets, including 30m wide streets. Following approval of our request, a study identified land uses, examined building heights, and assessed design quality in preparation for offering suitable alternatives that match the urban development needs of those streets and upgrade their infrastructure. Conducted in collaboration with a consultancy, the comprehensive study reviewed all municipal regulations concerning the horizontal sprawl of commercial activities in residential districts. In fact, it proposed a set of urban design rules and building regulations. In its final format the following three themes were approved.

Theme 1: Horizontal Sprawl of Commercial Areas

General visions were proposed to regulate the distribution of commercial areas in the city, and prevent its premises from exceeding suitable limits. That trend has proliferated in many streets thus impacting the comfort of citizens and the privacy of adjacent residential neighborhoods negatively.

Theme 2: Building Heights on Commercial Streets

We proposed scenarios for the optimum utilization of specific areas within the city, freed from the conventional height limit of 2-3 stories thus allowing for a reasonable vertical expansion. That scenario would result in a higher return on investment to compensate for expenses incurred by the municipality due to the upgrading of those streets and their infrastructure. It would also support the required operational and maintenance expenses. Furthermore, there are demographic and economic benefits. On the one hand, it would increase population density in the city's most vital areas; and on the other hand, it would limit urban sprawl which has exhausted the municipality's capacity to provide services and infrastructure. Most importantly, however, the property value of buildings located in such areas would be significantly raised, thus accommodating a key investor demand.

Theme 3: Raising the Urban and Architectural Design Quality of Buildings Located Alongside Commercial Streets

According to urban development terminology, the ‘ruralization’ of urban areas refers to a phenomena whereby certain physical features characterizing rural areas are transferred to major commercial city streets. Buildings feature poor architectural design and aesthetic qualities, as well as suffering from a decline in their functions. A series of urban design guidelines were introduced to raise the overall standard of these buildings, especially those that were built for investment purposes. Those guidelines included stipulations concerning the appropriate qualifications and competency of consultancies involved in the design and construction of such projects.

One of the main features of this new building regulation system was allowing owners and developers to add an additional floor, as well as annexes on upper levels on 50% of the area of the additional floor. This was applicable to all plots situated alongside commercial streets (starting with the 30m wide streets) provided that commercial use is changed to residential.

The new regulatory system’s incentives and options were favorably received, coupled with a minimal and rare level of complaints. Adherence to this new system was strictly voluntary for land owners wishing to avail of its benefits. It was clear to all that the existing building system that was agreed upon did not change, and that it should be followed. All that took place is the issuance of a different building system that works in parallel, and is not an alternative but optional in its adoption. It was not mandatory, and the decision remained with the owner and the investor based on what they see fit.

The municipality’s motive was that by allowing real estate investors to increase the number of stories, it was simultaneously bargaining with them with regard to the continuation of commercial activities in those buildings. Realizing benefits investors may thus voluntarily waive such use. The only exception would be sites that have been zoned for strictly commercial activities which have their own respective regulations. To preserve the desired architectural style, the municipality qualifies architectural consultants who are allowed to build on those streets to ensure distinct and different architectural standards that safeguard the privacy of residential neighborhoods. Thus, qualified practices are allowed to design following the endorsement of

architectural concepts by a committee formed for this purpose.

A statement made by the municipality to the newspaper Ar-Riyadh in 2009 pointed out that the new regulatory building system for streets that have a width of 30 and 26 meters, and which was approved in 2003, has achieved its main objectives, since it minimized the damage caused by the exaggerated proliferation of individual shops in the midst of residential districts. That was possible given that the system allowed for an additional floor and annexes with areas that are 50% the area of the additional floor in plots located along commercial streets provided that commercial use is changed to residential. In that regard, the application of that system provided 50,000 units in the first 5 years of its application, according to municipality statistics. By continuing implementation in future years, more residential units will become available to keep pace with Riyadh's accelerating urban development and an increased demand for appropriate housing. The statement also noted that the number of permits issued according to the statistical data of the new building system between 2004-2009 was 364, distributed across the city's sub-municipalities.

The Center for Projects and Planning at the Ar-Riyadh Development Authority, in collaboration with seven other relevant authorities, undertook a study in 2011 to evaluate the new Building Regulation System following its implementation for a number of years. A number of positive, as well as negative, aspects were identified. Among the most significant positives:

- Removal of commercial usages from residential areas which resulted in increased privacy for neighborhoods.
- Reduced traffic in residential neighborhoods due to limits placed on commercial activities, which in turn had a positive effect on traffic safety.
- Supplying additional housing stock as evidenced by the issuance of licenses for close to 86,000 residential units.
- Increased residential density in certain areas within the city which is in accordance with Riyadh's Strategic Plan, aiming at limiting urban sprawl.

The most significant negatives included the following:

- Non-compliance with architectural design guidelines that sought to preserve residential privacy.
- Some developers did not make sufficient provisions for car parking as per required standards.
- Changing residential usage as stipulated in the modified Building Regulation System, to office and service oriented activities (e.g. furnished apartments; health centers; schools).

All of these negatives did not stem from the system itself, but were caused by procedural issues and a lack of supervision and monitoring. Therefore, it should be possible to both contain and minimize them.

- Proposal for a Financial Return from a Developed Building Regulation System (2008)

Numerous Riyadh Municipality initiatives took one of two paths: one led to success, development and growth; while the other was beset with failure and abortive efforts. In this section, we will briefly review a municipal initiative which unfortunately did not receive a deserved positive response or encouragement, especially from the Ministry of Municipal and Rural Affairs and the Finance Ministry. Accordingly, it never saw the light of day, and remained within the confines of bureaucratic corridors.

The success of implementing the 1998 ‘Developed Building Regulation System’ in 30m wide streets constituted an impetus for the municipality to propose and adopt more suggestions and initiatives aiming at enhancing its work procedures. The starting point was finding a formula to increase municipal investments without impacting the citizen. We targeted developers and investors, offering them alternatives to existing systems and gave them options to choose from. The advantage was in the motivating factor, as well as that all parties were satisfied. Some of those alternatives serve municipal development objectives, and increase the efficiency of urban land uses. At the same time, investors will increase their gains while yielding part of the additional gains to annually finance the municipal sector. In turn, the sector

will invest in the development of services to the best interest of all citizens.

In the past, the choice was either not responding to the requests of developers and investors, or yielding to their demands without them incurring any costs. On the contrary, their revenue and income were maximized. Additional costs emanating from such decisions would actually be borne by the municipalities. The proposal for financing the ‘Developed Building Regulation System’ was one among many that aimed at setting a comprehensive urban strategy contributing towards a resolution of the housing crisis and increasing yearly fixed revenues through the vertical extension of buildings and increasing their height. Further, municipal efforts should be strengthened by strictly enforcing urban regulations and observance of zoning requirements, thus limiting violations, and ensuring the balanced use of utilities inside cities such as water, sewerage, electricity and telecommunications networks.

After presenting the initiative to HRH Prince Salman bin Abdulaziz, Governor of Riyadh, a committee was formed at the end of 2008. It was chaired by the Mayor of Riyadh and comprised of the following members: The Finance Ministry Undersecretary for Revenue Affairs, Head of the Center for Projects and Urban Planning at the Ar-Riyadh Development Authority, and the CEO of Riyadh’s Chamber of Commerce and Industry. Their main task was to offer an assessment with respect to suggestions contained in the municipality’s study about developing the capital’s building regulatory sector. Among those suggestions was the one known as the ‘Developed Building Regulation System.’ It is a regulatory measure to control buildings, enhance investment opportunities in commercial streets, while allowing the municipality to collect revenues from developers and investors who have voluntarily chosen to implement such a system in the city of Riyadh.

In summation, the municipality suggested that under this system, owners and developers would be allowed to extend vertically, based on set guidelines. This stood in marked contrast to what actually existed along the city’s major roads and streets which permitted the presence of mixed uses (commercial, office and residential). The proposed system, however, aimed at providing additional areas to be used for residences and offices as required by the city of Riyadh. It thus increased density alongside major roads and streets. This in turn encouraged the introduction of an efficient public transportation system, which is necessary in a city with increased residential density due to internal

migration to urban centers. Naturally, the main incentive for people to move towards this new system was the financial gains which would accrue due to the increase in property values and the ability to invest in commercial, office and residential uses based on relevant regulations and the suitability of the location.

The proposed system also aimed at supporting funding opportunities for the municipal services necessary for those plots, at a time of increased demand. According to the new system, adding floors will further increase population size, which will increase the demand for services and add to the burdens of Riyadh Municipality. The solution was in providing a win-win situation for both parties. Accordingly, owners and developers allocate a small share of their revenues to the city. This can be done easily given the increase in investment value due to gains from commercial, residential and office activities. Under the system, in exchange for a fee, the developer is able to add floors based on rules and regulations included in the system. Upon receiving a permit, they are allowed to make these additions along major streets and roads only. The offer is optional. Thus, a developer wishing to increase the size of their built-up area can utilize those regulations, or they can forsake the increase and follow the rules of the older building regulation system. For the former, they bear a small cost, while in the latter they receive a license without incurring any additional fees. Thus, it was possible for the municipality to provide such a non-conventional source for financial revenues, by enabling the sector to carry out its responsibilities with respect to service provision for the additional population influx. It is a legitimate source of self-financing whose revenues are directed towards new urban development projects. Moreover, it alleviates operational costs and aids in enhancing the performance of other service activities.

It was clear to us that such an orientation towards the developed Building Regulatory System in Riyadh would result in an opportunity to increase the city's municipal revenues and help it guide its development efforts. The sector would also benefit from financing and supporting other vital projects related to waste disposal, lighting, asphaltting, maintenance and so forth. The financial compensation was in no way a levy, and it did not target citizens. It only constituted a small fee obtained by the municipality from owners and developers. In exchange, they receive numerous benefits and financial gains due to an increase in building heights. And, in return, the fee ultimately

results in improving the level of provided services not just for investors but also for city residents. The financial compensation was set by the municipality at a rate of 5% from the total yearly rent resulting from the additional built-up areas. Rental value was estimated by the appraisal committee at Riyadh Municipality. Revenue collection was effected by adding the estimated rate to the electricity bill to be paid by the owner rather than the tenant. Overall it is a small amount that does not constitute a burden and should not be viewed at all as a levy. At the same time, it raises the efficiency of the collection process, and reduces the municipality burden of accountability and monitoring.

The municipality exerted a lot of effort, with the assistance of a specialized team of engineers, lawyers, accountants, and others, to realize the proposal so that it can achieve its desired objectives. It would also ensure that none of the parties lose, but gain significantly. In evaluating the experiment, we will find that it had numerous positives and its return on services was high. The municipality did not impose the new system, but made it optional, so as to whet the appetite of the developer and investor and not make them feel that it is a levy. The implementation of the system in Riyadh will have a number of visible implications on the economics of the city's real estate market, as well as its social structure, including:

1. Reducing the burden on the Public Treasury by collecting fees from those requesting services. Those fees will be earmarked to provide services that were financed from central budgets which fluctuated thus disrupting the continuation and quality of services. Accordingly, that system reflects the symbiotic integration of services in developments both in form and context.
2. Limiting the inflation of land value which is one of the main factors affecting the economic performance of many countries. A pertinent example is the 2009 financial crisis which was caused mainly by the absence of an effective real estate policy. Furthermore, the new system will reduce the severity of the housing crisis through the vertical expansion of buildings and the provision of different building types (residential, commercial, office, leased or owned), thus minimizing any instability in the real estate market.
3. Maximizing the utilization of land areas, reducing the accelerated pressure on city utilities due to unchecked urban sprawl, lowering

the cost of utility project construction, assuring the provision of necessary services for outlying areas, in addition to other benefits such as having a more secured environment.

4. Increasing the worth of land and buildings exponentially as a direct and immediate result of the implementation of the system. Owners and developers would thus achieve substantive gains and added property value without incurring any significant costs. Undoubtedly, the system also ensures an increase in commercial transactions and sales resulting from the vertical constructions by developers and investors, and the supply of residential units.
5. Facilitating the buying and selling of constructible units which is followed by an increase in loans. This responds to one of the state's main housing objectives. That system will minimize the inflation in the real estate market, as well as limit any excessive increase of land costs in outlying areas. Price would be set according to a realistic value, which in turn will make a positive contribution towards solving the housing crisis.

Lastly, vertical expansion in exchange for a financial compensation is, as noted, strictly voluntary. Owners and developers are free to choose from among a number of options. In case a choice is made for raising the building's height, the municipality needs to be assisted with a nominal fee that would contribute to alleviating part of the municipal service costs resulting from the expansion. The returns from implementing the system will be quite beneficial as wasted built-up areas, which reached 90 million sqm, can be substantially reduced. In addition, activating the 'Developed Building Regulation System' will revive this vast area. Both owners/developers and the municipality will benefit. And it is no exaggeration to state that yearly revenues can reach billions of riyals, based on the allocation of financial brackets which will be distributed geographically throughout the city while taking into consideration the specific nature, size and location of investments. The initiative also offers financial exemption measures to real estate developers of old and informal neighborhoods, and provides ownership of residential units in such areas to nationals. This will result in the overall well-being of citizens and achieves an urban growth model that is balanced and sustainable

Undoubtedly, such a system will allow the municipality to direct

developments according to specific and necessary requirements, such as raising densities alongside public transportation corridors. It would also produce an income that can be used to mitigate negative repercussions, caused by that decision, which may impact municipal services and utilities. Moreover, the monetary compensation would result in accumulating steady and reasonable financial returns. Its legitimacy stems from the fact that it is a “fee” collected by the municipality in exchange for investing to the benefit of increasing building heights. It does not constitute a levy and does not infringe on the rights of property owners. However, it is a way to benefit from adding additional built-up areas which they did not own in the first place. Indeed, such a collection of returns is similar to regulatory measures in other governmental sectors such as telecommunications and aviation. These yearly revenues would thus ensure that the municipal service budget is safeguarded against any governmental financial fluctuations, and that it contributes towards the formulation of a balanced urban development policy.

There was an opportunity to accept and support the initiative. It had a promising potential, allowing professionals and academics to move beyond the current ‘sterile’ thinking and ‘calcified’ approach to managing our cities. Unfortunately, similar to the Developed Building Regulation System as discussed previously, it was stalled due to deeply rooted bureaucratic obstacles. This resulted in the city forfeiting numerous opportunities thus impacting its ability to develop and finance its services.

Regrettably, the municipality did not receive approval for its suggestions, despite having the support of members from the Chamber of Commerce, who represent land owners, investors and developers. It would have been perhaps somewhat acceptable if there was a direct rejection. However, what took place is that the request was slowed down and remained at a virtual standstill, due to a rigid bureaucracy and endless deliberations between so-called advisors and municipal experts. The Ministry of Municipal and Rural Affairs eventually circulated the proposal to all municipalities in the Kingdom, in order to obtain their feedback. And while most committees were largely convinced by the initiative, some members would on occasions forsake the authority they represent and assume another role. I personally witnessed how government representatives, who should be supportive of any efforts to increase revenues and minimize expenses for the Public Treasury, raise their objections. This would be based on subjects which do not relate to

their area of expertise such as urban planning and other specializations that have their own dedicated experts, capable of raising such issues among the committee. The matter ended with the perpetual circulation of the proposal in ‘municipal corridors’ – continuing perhaps till this day.

Third: Setting up an Initiative for Incentivizing the Private Sector to Engage in Redevelopment

- Mohamed bin Abdulaziz Road. 1998

In an attempt to revive a forgotten urban asset and regain a lost opportunity we began in 1998 an urban regeneration study of Prince Mohamed bin Abdulaziz Road, also known as Tahlia Street. This was followed by Prince Sultan bin Abdulaziz, or 30th, street. What has been achieved in both of them represented an opportunity to reflect on a remarkable case study, not just because of its urban, environmental and humanizing components, but also with respect to two significant and complementary aspects that fulfill these objectives.

Aspect 1:

The municipality can encourage the private sector to invest in urban development projects by allocating a modest sum dedicated to such endeavors. The private sector can in turn be incentivized to further increase spending on developmental projects which the public sector would not be able carry out on their own. Thus, the efforts of the municipality and what it spends would be similar to a ‘spark’ igniting the interest of the private sector to develop and upgrade.

Aspect 2:

This pertains to the possibility of obtaining financial compensation from project owners. An important consideration given that they benefit from municipal regeneration projects in the form of increased property values, multiplication of earnings, and maximization of investments. The aim of such payments is not only to increase municipal revenues, but to reallocate the money towards financing similar projects and recompense what has been spent thus ensuring the continuation of these efforts.

The urban development model of Prince Mohamed bin Abdulaziz Street, comprising rehabilitated sidewalks, landscaping and furnishing, did

not differ greatly from the redesign of Sultan bin Abdulaziz Street. However, the latter's condition had seriously deteriorated – in terms of sidewalks, landscaping, lighting and street furniture. It lacked proper parking and the attempt to walk in the street was dangerous and challenging. In fact, it was nearly impossible to do so without walking on the asphalt between cars, not to mention the difficulty in moving between shops and buildings. The design of both of these streets, prior to their redevelopment can thus be characterized as lacking a human dimension.

The municipality began by carrying out a study to map and analyze the city's built environment. This involved examining the rehabilitation of public spaces, neighborhoods and their services including schools, mosques and parks. We also paid particular attention to traffic congestion by examining city street intersections and redesigning them to facilitate traffic, and also provide an optimum urban and residential environment. The program aimed at identifying specific problems and the subsequent provision of practical solutions. Rehabilitating Prince Mohamed bin Abdulaziz Road is a case study which represents the effort exerted to enhance the human dimension, and rehabilitate it to bring it 'back to life' so that it becomes more than just a thoroughfare, but a public space alive with restaurants, coffee shops, as well as commercial and cultural offerings. The street's rehabilitation also constituted a case study for an indirect channel for financing the municipal sector, and also one of the private sector's stimulation mechanisms to engage in urban development.

Prince Mohamed bin Abdulaziz Road was one of the most suitable thoroughfares in Riyadh for applying the humanization enhancement program. While distinguished with a generous width of 60m, it is not a high-speed arterial thoroughfare in comparison to other roads in the capital. There are also attraction nodes, such as restaurants, which have the potential for further expansion and becoming a catalyst for increased activities. Numerous indicators pertaining to traffic densities, the number of pedestrians, and commercial transactions showed that the street is home to much less commercial activity than what it could potentially accommodate given its overall design capacity. It was thus possible to take advantage of its urban features through a conversion to a low-speed road which is both vibrant and lively. Other advantages which were useful include its central city location, the high-end commercial districts it cuts through, its direct and indirect

connections to a number of significant arterial roads, and the small number of traffic junctions along its path.

All of these factors led us to consider starting with the road as an exemplary rehabilitation project where humanization principles could be realized. Accordingly, it became the municipality's prime candidate for such an effort. Centered on increasing the efficiency of its use, service roads on both sides of the street were eliminated. The additional capacity, which was previously underused, was earmarked for new uses and activities that fulfill contemporary needs, which were not previously considered a priority. Examples include the widening and upgrading of sidewalks to ensure connected and secure paths for shoppers and pedestrians in general, and those who walk for exercise, in particular. In addition, attention was paid to the varied aesthetic aspects. Overall, rehabilitation reinforced the social, urban and economic life in the street, improved its technical standards, facilitated the flow of cars and pedestrians, as well as established a better environment for economic and leisure activities in the street. All of those elements were incorporated in the street's urban design scheme which reflected our keenness to offer planning and procedural incentives to increase the potential for investment in tourist and leisure services. We wanted the project to become a model that could be applied in other major streets in Riyadh once it was put into use and appraised.

A Saudi consultancy specializing in urban design projects was contracted and tasked with carrying out an extensive study about existing street conditions and proposing appropriate design solutions. Construction commenced in 2000. The street's condition changed quite substantively after the upgrade. Service roads on both sides of the street were replaced with a wide sidewalk, reaching a width of 20m to accommodate pedestrians and strollers. Appropriate car parking was provided, and sidewalks were furnished with elements that are attractive to pedestrians. Movement of cars was facilitated by providing four lanes in either direction; and the crossing of pedestrian was regulated at crossing points located across the entire length of the street, accompanied by numerous traffic and information signage boards. There was an increase in landscaping and density of tree coverage. Billboards were placed throughout the street in carefully chosen locations. Pedestrian crossings were identified and furnished with special traffic lights and a middle island that protects them. Much attention was paid to the closest

design details, making the street a model to be emulated not just in Riyadh, but in other cities throughout the Kingdom.

The first development phase started in the east, at Prince Mosaed bin Djelwi Road until King Fahd Road in the west, extending over a total length of 2.3 km and a width of 60m. This was followed by the second phase which extended from King Fahd Road until Prince Turki bin Abdulaziz Street in the west.

‘Tahlia’ Street transformed from a typical and conventional street featuring paved lanes, sidewalks, narrow middle and side islands, as well as obstacles impacting the safety and comfort of pedestrians, and sub-level aesthetics, to a contemporary thoroughfare furnished with equipment and new services, similar to other streets in major urban metropolises. High quality construction was done according to the most advanced standards, ensuring that materials used are low in cost and that maintenance and operational costs are kept to a minimum. Specific attention was paid to pedestrian traffic, making sure their needs are met and that there are numerous and innovative elements facilitating extensive street use. The street became a model in terms of fulfilling its function both as a traffic artery and a social space. It also supported, human, social, environmental and aesthetic aspects, thus becoming a model for the application of criteria which need to be fundamentally considered at the present time.

Aside from representing a positive addition to the urban environment, Prince Mohamed bin Abdulaziz Road (Tahlia) also strengthens the human dimension in the area by attracting a multitude of users who appropriate the street for exercising, or to spend an enjoyable time strolling along the sidewalk and frequenting its numerous cafes and restaurants. It also continued to be a model emulated by many cities in the Kingdom seeking to upgrade and develop their streets. The project sparked the private sector’s development drive and motivated it to spend lavishly on development and investment projects the public sector could not undertake. Although the latter contributed with a modest amount to encourage and incentivize further developments. Further, the municipality announced that the yearly revenue from advertisements and billboards along the sidewalks increased from 8 million Riyals prior to development, to 23 million Riyals following the urban upgrade.

If the initiative relied on a coercive authority, Riyadh Municipality – or any other municipality for that matter – however powerful, could not have been able to compel landowners on both sides of the street to invest millions of Riyals to rehabilitate their buildings willingly. They did, however, realize that there were numerous benefits which in turn prompted them to increase their participation in the street’s upgrading. Accordingly, property values multiplied and financial gains were considerable. All of this would not have been conceivable without such a substantive development. As an indicator of the extent to which property owners embraced the upgrading initiative, and in an effort to harmonize with the street’s enhanced appearance, some volunteered to pull down their buildings completely (which were less than 10 years old), and replace them with new ones that followed the guidelines of the newly rehabilitated street. A good plan is that which creates a win-win scenario with every proposed initiative. In this case, the municipality gained a thriving commercial corridor and a street that accommodates numerous leisurely activities; while owners gained by multiplying their investments, and further increasing opportunities by taking advantage of modified building regulations. As for citizens, they embraced a street that has attracted leisurely and commercial activities, in addition to coffee shops and restaurants catering to young people from both genders.

The municipality further increased the enthusiasm of owners, encouraging them to take advantage of modified regulations allowing an increase in the gross built-up area. Also they were permitted, within clearly set rules and guidelines, to utilize outdoor spaces adjacent to their property as a seating area for coffee shops and restaurants. We can therefore consider the rehabilitation and development of Prince Mohamed bin Abdulaziz Road as an example for a project that incentivized the private sector to engage in development and investment. This well thought-out development initiative was more like a spark that stimulated the private sector. The amount of 10 million Riyals spent by the municipality (in phase 1) does not compare at all with what the private sector has disbursed on the development, construction and investment in new buildings alongside the road, not to mention owners’ keenness to select specialized and distinguished architectural and interior design consultancies, as well as famous commercial brands in both the retail and hospitality sectors.

There was a notable outcome for our success in the development of

Prince Mohamed bin Abdulaziz Road and Prince Sultan bin Abdulaziz Street. Namely, an increase in requests by property owners in comparable commercial streets calling for the implementation of similar measures. Interestingly, some of them offered to share the overall cost. They all realized that much could be gained from such initiatives, and that the municipality may halt these efforts in case there are insufficient funds.

At the municipality, along with the staff, I wondered how to replicate and sustain rehabilitation and upgrading throughout Riyadh, given the constant threat of substantive budget shortages. There was a great and urgent need for these kinds of developments, but we were also aware that if the municipality spent all of its allocated budget towards the rehabilitation and development of streets and sidewalks, in addition to the expansion of the city's humanization program, there would not be much left for the provision of vital services required by city residents. In order to fulfill its desire and realize its dream of applying a human dimension to all city streets and roads, the municipality offered a proposal giving an opportunity for willing property owners to rehabilitate their respective streets.

Accordingly, a proposal to set up a dedicated fund was presented to the Ar-Riyadh Development Authority. It would be jointly supervised by the ADA, Riyadh Municipality and the Finance Ministry. Through such a fund, owners are obligated to pay a fee allowing the municipality to continue with their development projects on more than one site. The value of such a fee is set based on the overall width of the property on the street earmarked for an upgrade. In order to ensure a continuous flow of revenue to the fund, the proposal set up terms allowing owners to pay in 3 to 5 year installments. The success of the urban rehabilitation of Prince Mohamed bin Abdulaziz Street – as we, the investors and citizens witnessed – led us to strongly believe that the request for a financial compensation in exchange for such projects would be welcomed by owners, especially since they were able to benefit positively and maximize their investments in the aforementioned projects, thanks to the municipal development efforts. Unfortunately, however, the proposal was not taken seriously. In fact, the Finance Ministry reproached us for requesting fees. Hiding behind regulations, they noted the principle of “no fees without decrees,” even though the required sum was not a fee but a financial compensation in exchange for a partnership with willing and desiring beneficiaries who knew well the positive returns.

Surely, the rehabilitation of Prince Mohamed bin Abdulaziz Road is considered a lively and good attempt which demonstrates how the municipal sector can finance some of its programs and projects creatively by transferring some of the redevelopment costs to the private sector, which they accepted without any coercion or obligation. Had there been an agreement to what the municipality requested as a financial contribution, the financial burden of the entire program, whether for street rehabilitation or development projects, would have been borne by the private sector. This is a real partnership between the municipality and the private sector which we should strive to achieve. It is a partnership based on team work and the eagerness of both parties without any form of coercion, patronization, or one side trying to take advantage of the other.

Fourth: A Proposal for Establishing an ‘Expropriation Fund’.

2001

I always regarded the principle of expropriation as a necessary tool needed for cities in their different development stages. Indeed, no city – especially in the Kingdom of Saudi Arabia – would be able to forsake such a principle. Cities need a continuous program of expropriation as a development and upgrading tool. At the same time, it can be used to incentivize and encourage developers and investors to engage in urban upgrading projects.

Comparing Riyadh to other world cities is difficult since it has an unusually high urbanization rate, and that is a situation that has as of now not stabilized. The city continues to grow quite rapidly resulting in a massive expansion of its urban form. Thus, it contains numerous upcoming areas in need of construction and development. Additionally, the city’s older districts witnessed a substantive change in their demographic make-up because original residents migrated to newer areas. As a result, they were neglected, in particular the downtown area, and subsequently deteriorated over the years. Older buildings were used for storage as well as accommodating laborers, transforming into a setting where all sorts of infractions thrived. Accordingly, these older districts became a social, environmental and security burden that has severely impacted the city core. At the municipality, we always desired the existence of a clear policy for expropriation. Such a measure enables the partial or full acquisition of existing sites and buildings to enlarge a path, build a roundabout, construct a park, or resolve an existing urban or development problem. We also wished to have the ability to acquire a site to offer it as an investment opportunity for the development of multi-story parking by the private sector, or to enhance their investment in and around sites which would help in rehabilitating and upgrading the surrounding urban environment. We were aware the principle of expropriation existed in municipalities. However, obtaining permission requires complicated steps and numerous levels of approval from a multitude of departments. That can take years, and by the time it is granted, priorities and the overall municipal development objective behind expropriation would have changed.

HH the Governor of Riyadh paid, in general, much attention to the city’s urban upgrading. In particular, the downtown area witnessed the completion of numerous phases of development due to his sincere efforts.

One of these phases entailed the construction of administrative buildings and a congregational mosque. Another phase involved markets and retail structures which was carried out in partnership with the private sector, specifically the companies of Ma'aqliya (Riyadh Holding) and Riyadh Ta'amir. This was followed by the third, and last phase which included the King Abdulaziz Historical Center, the Judicial Complex, development of al-Salam Park, the rehabilitation of Al-Zal Souq, construction of the Falconry Market, and the regeneration of the Dah'u district. While these projects are quite diverse what unites them is their central city location. Thanks to such projects, the Governor of Riyadh was able to reassert the importance of the city's downtown area. But he also aspired to witness the construction of a monumental project in the center which would further cement its historical, political, social and economic legacy.

The idea for an Expropriation Fund emerged from those motives and its general outline was submitted in the form of a proposal to the Governor of Riyadh in 2000. The main idea of the fund centered on the fact that the downtown section has undergone massive urban renewal, yet it is surrounded by older and dilapidated areas. There was, therefore, an urgent need for finding a mechanism that would facilitate their appropriate rehabilitation.

With the above in mind, we made a judgement that isolated development efforts would not succeed. Moreover, it was impossible, from a practical and financial perspective, for the state to carry the burden of expropriating these lands. In addition, the condition of surrounding districts could, with the passage of time, further deteriorate. This may lead to the emergence of some practices and infractions posing a risk to the city's future in terms of its security, health and welfare. And there were signs that some of these violations had begun to appear. Therefore, the proposal principally relied on allocating 500 million Riyals from the Finance Ministry as a one-time contribution. Further contributions to the fund could be made on a voluntary basis by the private sector and owners of expropriated properties. The overall amount could then be used sequentially in areas requiring urban development.

The suggestion was that the Fund would finance unconventional projects in the area by extending 'bridges of cooperation' between the State and the private sector to implement urban development programs, and service facilities. This could be accomplished through a partnership between Riyadh

Municipality and the Center for Projects and Planning (ADA), supervised by the Governor of Riyadh, HRH Prince Salman bin Abdulaziz. Considering the development of that vital area was not particularly easy, given its numerous problems, accumulated over the years. Developers were thus reluctant to finance its upgrading as they expected little or no return on their investment due to a number of factors such as small property sizes which rendered them unsuitable for modern uses. Purchasing land was also difficult due to inheritance laws which resulted in a fragmented ownership. At the municipality, urban upgrading of the area was never mentioned. Indeed, there was no comprehensive vision to establish a clear identity for the city's downtown area, nor was the urban boundary called the 'city center' defined on the ground.

The municipality's initiative necessitated determining the geographical domain of downtown Riyadh in order to identify neighborhoods, administrative areas, as well as existing roads, streets and utilities. That would clarify the matter for business owners, investors and citizens. A series of steps would then follow leading towards the development of a master plan, and a future vision for the downtown area including its commercial centers, the preservation of historic structures, and the construction of different residential units. Provisions would also be made for a variety of services attracting residents and visitors. Such an initiative revives the 'core of the city' and a reinvigorated center encourages those who have left to return. This district then truly becomes a rich heritage center, by offering a civilized façade filled with a rich historical legacy; and a cultural and leisure node centered on a main plaza, used for celebratory occasions.

We began with a request to the Finance Ministry to allocate an amount in the range of 500 to 600 million Riyals, divided over three years and starting with a sum of 200 million Riyals. This amount would be considered as part of the Fund's capital asset, not to be used for compensatory purposes. The municipality regarded such a sum as an incentive, encouraging further allocations from the private sector which were estimated to reach between 5-10 billion Riyals.

The Fund's objective was to expropriate property in the city center in participation with the private sector. Accordingly, the Finance Ministry would retrieve what it provided to the Fund following completion of the

project and benefiting from investment returns. Included in the proposal, was a stipulation that the municipality and the Center for Projects and Planning subdivide the city center into areas, and that expropriation would take place in phases. It is a long-term plan that emphasizes the concept of partnership. For instance, when properties in area (A) are expropriated, respective owners have the option to participate as investors using their property as capital. In such a scenario, the expropriated area is treated as a real estate venture. However, the 'demolition plan' ensures the preservation of buildings which have historical value and are imbued with a unique, locally inspired heritage style. Redevelopment takes place around historic buildings following the general master plan of the city center which results in improving its urban quality and increasing investment value of the land, which is then offered for sale.

Based on the positive response and eagerness of owners and the private sector in general, and given the availability of required funds, respective legislations could be applied to area (B) following the completion of area (A), or even while work is still taking place there. Property expropriation, formation of real estate ventures, and demolition work could then be repeated, the area is upgraded based on the master plan, and respective properties are subsequently offered for sale, and so on. Such a mechanism relies on redirecting funds to develop new areas and districts. In such a manner, upgrading can reach areas and districts that are difficult to develop unless there were sufficient funds, which may not be available given the general financial situation. Therefore, one of the main advantages of the fund is that it allowed for true participation in urban development and investment in the city's inner area without any undue burdens borne by the State. What we mentioned about the center of Riyadh applies to other neighborhoods in the city requiring intervention, such as Muraba'a, Eleisha and Malaz and other neighborhoods, which need upgrading or rehabilitation using different mechanisms including development incentives, and encouraging the private sector to invest and participate.

It is important for those areas to have a clear upgrading methodology, as well as a realistic and achievable urban development plan. Otherwise, they will be subject to deterioration and abandonment by residents. Buildings are then converted into housing for laborers or used as storage warehouses. The overall environment would be conducive to the presence of numerous

violations and infractions, attracting a specific category of people who take advantage of their proximity to commercial activities. All of this poses a risk for the city's security, health and welfare. Such violations already exist in some of the older inner city districts, particularly in relation to sanitary violations and the presence of illegal laborers. Fortunately, most of the older areas in the center still retain their original urban fabric and buildings have not been subjected to major alterations. Thus any future upgrading plans would not be particularly complicated or costly.

Primarily linking the idea of a 'Property Expropriation Fund' to the downtown area, in the first phase of the initiative, constitutes a recognition of its historical stature given the presence of historical structures reflecting the establishment and growth of this country. In case of its upgrading as noted above, it would attract investment and transform from an area pushing people away to a place that pulls people in. The proposal could be further expanded so that it becomes a vital urban development tool for Riyadh, facilitating the rehabilitation and upgrading of numerous districts. In addition, it would offer a substantive support for achieving the overall goal of improving urban development plans and service facilities.

Unfortunately, no clear comprehensive development vision for the downtown area existed. In fact, what constitutes the city's 'downtown.' was blurred. There was also a need for a meaningful participation of investors in different fields. No doubt, the 'Property Expropriation Fund' will be an important step in that direction, since it underscored the importance of moving towards a new development phase which starts with defining the geographical confines of central Riyadh including neighborhoods, administrative areas, roads, streets and facilities. Once defined, businessmen, investors and citizens get a clearer picture which would be followed by:

1. Creating a masterplan as well as setting a clear vision for the future of Riyadh's inner city area. The plan ensures the establishment of proper commercial outlets, preservation of historic buildings, and the construction of residential units. Provisions would also be made for a variety of services attracting residents and visitors. The aim is for the area to become a representative front for the city as a center for heritage. But it is also envisioned as a leisure center, anchored around a main plaza used for religious and national occasions. In

that way, Riyadh returns to its heart rather than migrating away to outlying areas

2. The overall vision was predicated on the principle of participation. Accordingly, the prevailing view was that incentivizing policies targeting increased investment should be provided in the area by allowing for height increases, easing certain building regulations, and considering treating the area as a Category 1 Zone which benefits from reduced water and electricity rates. Additional measures include an advanced public transportation network to link and serve downtown Riyadh, as well as rehabilitating and upgrading services and infrastructures such as schools, streets, sidewalks, and urban parks.

Unfortunately, the proposal was not approved, even though what we asked for convinced many, and the requested sums for investments and the provision of development incentives for the construction sector were not particularly high. Indeed, it could have been considered as a loan to be returned to the General Treasury, either directly or indirectly. The matter ended by an outright rejection from the Finance Ministry.

Fifth: A Proposal for Setting up a ‘City Project Financing Fund’ (2001)

Within a record period, the city of Riyadh made great strides in urban development and implemented a huge network of roads and quality services. However, it was noticed that change was contingent on financial circumstances. It also became evident that the Finance Ministry decreased the funds allocated for city projects, despite rapid growth which required the implementation of large developments, in addition to increased spending on the operation and maintenance of existing projects.

We were keen on preserving these achievements, as well as continuing with the construction of projects deemed necessary for upholding Riyadh’s distinctiveness. Sufficient funds necessary to cope with the city’s needs for wastewater, rain drainage, roads, tunnels, and other vital projects, were not available. There were also no financial allocations for maintaining existing projects, whose operating costs kept increasing on a yearly basis. Thus, following the precedent of other world cities, and in an effort to provide a practical solution enabling the city to continue financing its current and future projects, a proposal was presented to the Governor of Riyadh in 2001. It suggested setting up a ‘City Project Financing Fund’ which would be one of the new potential mechanisms for financing city projects, programs and initiatives. The proposal suggested that the Fund receives financing from several sources. This may include reinstating the collection of a yearly municipal car registration fee, which was based on a ministerial decree issued in 1956. Since 1992, and until we presented our proposal, those fees were collected via traffic departments at a rate that did not change for more than 40 years. We estimated that an increase in fees would have resulted in yearly revenue of more than 200 million Riyals.

Another potential source of revenue for the Fund was the collection of fees from companies which engage in road excavation works by laying out networks of utility pipes and cables (electricity, water, telecommunications, sewerage, etc.). Their operation has a direct impact on the quality and life span of roads. Determining these charges could be based on every excavated linear meter. Another proposal involved collecting fees from land sales by deducting a percentage from the share allocated to real estate agents – 1.25% for the Fund and 1.25% for the realtor.

There were many additional sources which could be added to the list of financing the proposed Fund, which may increase by time, such as collecting a modest charge when obtaining land subdivision approvals from the municipality; instituting a ‘City Fee’ for occupying a hotel room; renting an apartment; or on retail sales, as is common in many cities throughout the world.

The above has been proposed at the time as one of several potential sources for financing the Fund to be implemented on an experimental basis, and for a limited time, in the city of Riyadh. It could then, in case of its success, be applied to the broader metropolitan area by linking its implementation to the Regional Council. Subsequently, the measure could be enforced across urban areas in the Kingdom. All of these suggestions took into account not to impact citizens directly, and were subject to discussion, study, modification and development. For further clarification, the following section will shed some light on two proposals.

- Proposal for a Land and Property Sale Transaction Fee:

The municipality exerts considerable effort in maintaining land and regulating its use, preventing any form of encroachment, and affirming the legal rights of owners, whether public or private. There was also the cost of providing necessary services for which municipalities did not receive any financial compensation. This took place at a time when the cost of land was prohibitive and many citizens could not afford its purchase. The reason behind the cost increase was the limited supply of fully serviced lands, and despite the presence of numerous certified plans, many people opted not to engage in any construction activity since infrastructure was not ready, thus making habitation difficult.

Taking the above into consideration, the municipality began the process of developing regulations and procedures that would complement governmental efforts so as to mitigate that problem. Accordingly, a proposal was presented to HRH Prince Salman bin Abdulaziz, Governor of Riyadh, aiming at speeding up the delivery of municipal services by collecting a land transaction fee. Such a fee could be deducted from the percentage allocated to real estate transactions which are usually 2.5%. The proposal suggested a

1.25% deduction, which is a small sum that would not burden land owners, and will be collected in return for the provision of services such as issuing land survey decisions, utility services, etc.

The proposal included a provision that the revenue obtained from the fee is deposited in a dedicated fund (City Project Financing Fund). The Fund is independent from the municipal budget and is not subject to the fluctuations of the central governmental budget. Its income is used to finance efforts dedicated to the completion of services in areas requiring their provision. The process is supervised by the municipality, the governorate of Riyadh, and the Finance Ministry. Other concerned authorities include either the district or the municipal council, or both. The proposal represented a realistic alternative to other measures, suggested at the time, such as the imposition of fees on 'white lands' to drive down their price. And yet, a large group of owners rejected such a measure.

The quality of the proposal hinged on its suitability and easy implementation, especially since the payment of fees will take place at a time when both buyers and sellers have sufficient funds. The proposal therefore should lower land prices once the money collected to develop the infrastructure in subserviced areas is reinvested, thus doubling the availability of fully serviced lands in the real estate market. Naturally, such an increase in supply would eventually result in a lowering of sale prices.

Once again, the proposal was unfortunately not accepted.⁽¹⁾ It was, and continues to be, a much better and more acceptable alternative for many, when compared to the 'White Land' fee. It could have been implemented in stages, with a gradual fee increase that varies in its rate as it is applied across different sectors. The overall return from developing land according to the proposal would generally have resulted in an immediate and positive impact on the urban and housing sectors in the city. Additionally, it would have contributed to the establishment of the 'City Financing Fund, an important factor ensuring the city's sustained development and independence of its decision making.

1) Currently, the collection of fees has been implemented in land sales; in addition to the imposition of a Value-Added Tax (VAT).

- Proposal for a ‘Street and Municipal Property Easement Fee:

Municipal properties in Riyadh, and many cities elsewhere, are numerous and diverse. They include streets, parks, land and real estate, and public markets. While the municipality exerts a lot of effort to develop, operate and maintain those properties, they are being violated and exploited for free by many parties. Moving beyond such giveaways, the Municipality bears numerous additional costs without any consideration to their right in financially benefiting from their property or at very least being able to collect an ‘easement’ fee. For instance, some utility companies excavate streets which results in damaging asphalt and paving carried out by the municipality, without incurring any expenses. Additionally, some telecommunication companies take advantage of streets and parks to place their signal towers without any associated costs. The same applies to many other utility providers such as electrical and water companies.

One of the most important problems faced by the city of Riyadh, while it was undergoing periods of rapid urban growth, was the massive excavation work carried out by electrical, water, telecommunications, and sewerage companies while laying out their network of cables and pipes. These actions have a negative impact on city streets, as they result in additional financial burdens borne by the municipality due to maintenance, repair and cleaning operations. Such an approach impacts road quality and directly affects its life span, limits its use by citizens, and doubles the amount needed for maintenance.

A proposal for regulating and limiting excavating activities emanated from that urgent situation. It included imposing a specific rental rate on any company when seeking easement over public roads. The rate is calculated based on the length, width and depth of the excavation path, as well as the time needed for the operation. Payment is made to the municipality once the street is used. The resultant income can in turn be used in street improvement measures, operation and maintenance. Such new regulations facilitate coordination between different companies engaged in excavation work. Furthermore, it includes guarantees to return the street to its condition prior to excavation. The estimated total rental income according to the proposal was 150 million Riyals/year.

Communication companies are another good example. In addition

to their excavation activities, there are numerous cell phone towers spread throughout the city that increase every year. Riyadh alone had more than 3,000 of these towers placed on top of residential buildings, along some streets, and in city parks. In order to avoid negatively impacting both citizen's health and the city's urban appearance, the municipality proposed that these towers be moved to the middle of roads which have a width of more than 40m. The proposal stipulated that the municipality collects a yearly fee in exchange for granting a license allowing for the placement of cellular phone network masts, relay stations, as well as movable and fixed antennas. The proposed fee was 2,000 Riyal for each mast added to the required rental rate of the land where the mast is placed. Once all telecommunication companies are included, it was estimated that the yearly income would reach 250 million Riyals. Moreover, the opportunity for maximizing such an income in the future was quite high. In addition to the financial return from collecting fees, such a measure regulates the operation of these companies and ensures that work is carried out quickly. Thus, the longer it takes to excavate the more costs will be incurred; and the opposite is true as well. That is, a situation that incentivizes them to deliver their services quickly.

The above shows just two examples of lost opportunities, and the extent to which municipal properties and rights are freely exploited. It also highlights the weakened capacity of municipalities which are unable to administer the investment of their properties properly, or preserve and maintain their rights. It is worthy of note, that upon discussing the matter with telecommunication companies, Riyadh Municipality reached an agreement concerning the payment of a yearly rate in exchange for placing masts on municipal property. Both parties signed the agreement. Accordingly, communication companies were bound to pay a yearly rate of 20,000 Riyals for each mast in the city. There would also be a rental rate for the site. However, the municipality deemed that it was necessary to obtain the approval of the Ministry of Municipal Affairs so that this could be potentially applied across the Kingdom.

Surprisingly, the request was not approved and all endeavors to correct the matter were in vain. Unfortunately, the Ministry objected categorically to the collection of fees from communication companies, however, the municipality tried to dissuade the Ministry from its decision. A letter was sent to HRH the Minister justifying its right to collect such fees, and that it is looking forward

to further develop revenues beyond communication companies. Fees could also be obtained from banks and ATM machines, whether they are located on properties owned by the municipality, or on private lands. All of these measures were expected to substantially increase municipal revenues.

The matter was settled, however, and the municipality did not get approval for its proposal, as well as numerous others. Its attempts at investing, taking advantage of lost opportunities, protecting properties and maintaining city rights were not met with an open mind. Regrettably, those initiatives were met with rejection and, sometimes, condemnation, even though what they tried to accomplish was to regulate municipal work and benefit from lost opportunities for which the municipality sometimes had to bear additional costs. The municipality's principles were clear: offer incentives in return for mutual benefits, without incurring expenses for citizens. And, ultimately, our aim was the well-being of city residents and the enhancement of urban development.



Chapter 5

The Financial Side: Seizing Lost Opportunities and Maximizing their Investment

Initiatives to Support Municipal Financing and Bridging Partnerships with the Private Sector:

- **The Ma'aqliya Company Initiative. (2001)**
- **The Riyadh le Ata'ameer Initiative. (2003)**
- **The Instant Building Permit Initiative. (2006)**

A precedent for organizing, facilitating and engaging the Private Sector

- **The Central Monitoring System Initiative. (2007)**

The Financial Side: Seizing Lost Opportunities and Maximizing their Investment

The debate about the role of the private sector in development is exaggerated and not based on real life experiences. Some may even go so far as to declare that only the private sector can resolve problems that exist in the State's service sector. There is some truth to such claims; however, it is not the kind of 'rosy and bright picture' as portrayed by many, especially when it comes to the municipal sector and providing public services.

This dilemma has two sides: qualifications, and the presence of true partnership mechanisms that would allow the fulfillment of contrasting needs for both sides. The inability, or unpreparedness, of the public sector and its lack of management expertise, calls for the spirit of the private sector and its motivation to maximize capital and accumulate value. Conversely, the private sector does not consider the social dimensions and development determinants governing municipal policies. Added to that, is the absence of a truly qualified private sector, with sufficient practical experience in municipal work. Thus there is a need for a model which delivers reciprocal benefits for both parties, a mutual understanding of work incentives and investment on both sides, and offers a proposal that transcends the conventional hardline views of municipalities which continue to look at the private sector suspiciously. However, we do not wish the latter to be solely a charitable contributor. Instead, we seek to move beyond the view that the private sector does not deal seriously enough with public projects and investments. Additionally, we need to avoid the audacity of the unqualified who come forward to seize contracts, not to mention those who view public sector works as an opportunity for a 'free reward' which can be extorted and exploited without any, or very little, compensation. Their approach is based on selfishness rather than partnership, and does not consider the interests or goals of their public partners. It is important to realize that the private sector's primary aim is to be profitable and to maximize gains as much as possible. But there also needs to be an understanding that the public sector has a social role, acting as a servant to the people, and is committed to the quality and continuous delivery of services.

All this necessitates a new approach in forming partnerships, predicated on building bridges between stakeholders.

The solution lies in finding a participatory model which establishes a unifying framework for action which would benefit from the private sector's drive, motivation and ability for growing investments, in addition to strengthening social and developmental dimensions sought by the State. The formula would be based on a public service sector that understands and comprehends the business oriented approach, and a private sector that is strong, experienced and dependable in administering, operating and developing municipal services, so as to assume part of the tasks that were delivered solely by the municipality for many decades. Both sectors require governmental support to motivate and enable them to undertake those tasks.

As a researcher and administrator in the municipality, I witnessed different forms of collaboration with the private sector. Most were doomed to failure and disintegrated rapidly. Unfortunately, those that succeeded were incompatible and were marked by uneven returns. The private sector remains more capable in capitalizing on project revenues while giving very little in return. It remains capable of exploiting municipalities and not giving them their dues whether in terms of service quality or expected financial returns. Ultimately, the private sector imposes conditions and its monopoly limits the development of services, which does not respond to the requirements of city residents. Moreover, there was no clear benefit for the municipality. Prior to my becoming a Mayor, the most visible case drawing numerous complaints pertained to waste disposal companies. The municipality also suffered because the private sector was weak, inexperienced, did not properly carry out work tasks, and remained in a feud with the municipal sector thus harming its achievements and exhausting its services. Another example was the administration and operation of parks in exchange for investors utilizing some parts for entertainment purposes. Most of them ended up as a private entertainment venue for the company. Accessible to citizens after paying a high entry fee, the nature of the project as a public space was thus significantly changed. Indeed, those patronizing those parks were hard-pressed to find any spot that they can enjoy without being asked to pay a fee.

While observing those failed and doomed experiments, I was motivated to find a way that would yield a different partnership, or an alternative model

that would support the missions of municipalities, achieve their objectives, and commit to the social and developmental dimensions. It would also lead to provide municipalities with a qualified, trusted and experienced partner. The thinking was focused on how to build a true partnership that is based on full mutual support and responsibility, and a shared desire for sustainability and development, a relationship where the municipality stands head-to-head with the private sector, so as to succeed together and have the ability to overcome those problems and obstacles.

I would like to review here some initiatives, specifically, two which positively combined the capabilities and incentives of the private sector with the capabilities and incentives of public and governmental institutions. The thinking behind it was a desire from the municipality to own a unique and strong developmental 'arm,' capable of carrying out large development projects, and able to transcend the limitations of work in both the public and private sectors. The result was the formation of two companies, Ma'aqliya and Riyadh le Ata'ameer, supervised by HRH Prince Salman bin Abdulaziz, Governor of Riyadh.

I continue to regard both companies as a model that needs to be replicated, nurtured, developed, and expanded. It is a real-life experience demonstrating the possibility of seriously working together while being committed to developmental goals. Indeed, the private sector and Riyadh Municipality by combining forces showed great capability to operate in numerous municipal fields, activities and urban investments.

Two more initiatives showed how to involve the municipal sector under different contractual conditions. Whereas a financial compensation is offered to the private sector in exchange for services, as is the case in the Central Monitoring Initiative, the second initiative offered the private sector the opportunity to deliver services in exchange for being monitored by the municipality to ensure that regulations are followed, as is the case with the Instant Building Permit Initiative. The goal was not purely financial, and it was not about who wins, and who loses. All were winners through a real partnership where the public interest is above all, and the services rendered to the city and its residents reach higher standards.

Initiatives to Support Municipal Financing and Bridging Partnerships with the Private Sector:

The Ma'aqliya Company Initiative. (2001)

The birth of a new scheme, to be added to Riyadh's urban development portfolio, was always an event worthy of celebration by those of us who are responsible for the city's urban growth. And as I noted before, establishing such a company was considered a pioneering idea, but like any initiative of that kind, it faced many challenges at the beginning. The Company was tasked to contribute to the urban development of downtown Riyadh at a time when the area was subject to a massive regeneration and development effort carried out by the government. This included the construction of Qasr al-Hokm (Justice Palace), the Mosque of Imam Turki bin Abdullah, and Headquarters for Riyadh Governorate and the Municipality, as well as the Police.

Ma'aqliya is a limited liability company (LLC) established in 1985 with a startup capital of one-hundred million Riyal (USD 27 million). It was comprised of a four-way partnership between Riyadh Municipality, the General Organization for Social Insurance, the Public Pension Agency, and the Property Management Company. Each has a 25% ownership share. The Company's capital multiplied six times since it was founded. Specifically, shareholders decided to increase its capital to 300 million in 1987, 400 million in 1988, and 600 million Riyals in 1989. The Company eagerly started its distinctive efforts in construction and development. In the beginning, it focused on shopping centers in downtown Riyadh, and the execution of tasks related directly or indirectly to such activities. Furthermore, the administrative and organizational structure continued to be developed, while being led by the Board of Directors. However, due to a number of reasons, one of them financial, the Company's enthusiasm dampened following its foundation. Neither did it evolve nor was it involved in any new projects, satisfied with what has already been built. Perhaps, the sustainability of its operations and expansion were curtailed by weak financing and revenues generated from projects in central Riyadh, in addition to scarce liquidity.

Under those circumstances, I was selected to be the representative of Riyadh Municipality in the Board of Directors, following my appointment

as Mayor in 1997. Subsequently, I assumed the Board's chairmanship, and was elected by its members with a mandate to work as one unified team comprising prestigious experts and their Excellences representing their respective organizations. They helped to sincerely push the Company forward, and approved an ambitious revival plan. What united us was a desire for accomplishments and moving forward to take Ma'aqliya on a different path. My desire was to realize a qualitative transformation in its administrative system. Thus, within a few months a series of measures were approved. We started with administrative reforms and adjustment of the organization's regulatory framework. We recruited an executive team of young, ambitious Saudi nationals. We saw them as agents of change, who would share our great responsibility in finding new opportunities for the Company that would lead to unprecedented achievements, and a leap towards unconventional mechanisms for municipal work.

This was an ideal opportunity for collaboration and establishing a true partnership between Ma'aqliya and Riyadh Municipality. It constitutes an anchor, opening the door to the discovery of investment opportunities in the promising market of urban development. An approach was adopted with a formula ensuring that everyone gains, predicated on achieving synergy and mutual respect. We were also keen on seeking common mutual benefits as well as serving the public interest.

The Company had numerous advantages such as an exceptionally talented workforce, a keen desire for work, and being largely owned by the public sector. Most of its partners had ample experience in investment, representing some of the largest, and perhaps most important investment establishments in the Kingdom. Unfortunately, the Company did not take advantage of those capabilities as it should have. It continued to suffer from a dearth of projects and weak investments. In addition, it did not have any expansion plans by engaging in other projects, settling for what has already been built: The Ma'aqliya Center and Deira Markets. The latter consumed most of its capital. Expanding beyond those two projects would have required additional capital, embracing more competitiveness, and taking higher risks.

On the other hand, Riyadh Municipality was not in a better position. It suffered from a substantial deficiency in administering investments and was not able to benefit from, or develop, its own assets, especially with respect

to public markets. Among the most prominent are the vegetable markets of Utaïqa, Al-Shamal, and Al-Rabwa, in addition to the Haraj (used items) and livestock markets. They were all in a dire need to modernize numerous services so as to respond effectively to the needs of city residents. These were all lost opportunities, without which the municipality could not obtain any significant revenues, at a time when others were able to benefit in a manner that impacted the image and management of the city negatively. Further exacerbating the situation were numerous infringements which constituted a security risk, such as for example, stripping down vehicles, recycling activities, and the sale of used furniture. The municipality had its hands tied while facing such cases due to financial shortages, absence of administrative flexibility, and a lack of financial and administrative independence. It was confronted with a paradoxical situation where it would either act based on its limited finances --which would not allow effective operations, management, not to mention the desired development -- or adhere to a traditional financing process. The latter would force it to contract a private sector whose sole aim is to take advantage of the situation without having the necessary tools to carry out tasks, or contribute to service development and improvement. Those companies would gain a lot without any reciprocal effort, all the while tossing away a few 'crumbs' of revenue to the municipality.

We thus embarked on the adventure of 'knocking on closed doors' and attempting to revive Ma'aqliya. Powerful governmental entities contributed to its foundation, with the municipality at the helm. It was governed by a private sector approach characterized by flexibility, competency of its cadres, and its pursuit of opportunities. The Company was able to mitigate the municipality's weakness in both the lack of funding, and the inflexibility of administrative systems and governmental work regulations. For example, the municipal administrative and financial system did not permit a direct delivery of a service project even if the municipality has a substantial share in its ownership. Any such effort must be handled through competitive tendering. On the other hand, the Company needed to develop, expand and launch specific projects.

I decided at the time to transfer all service and public projects from the Municipality and directed that they are placed under the authority of Ma'aqliya. The same also applied to Riyadh le Ata'ameer (to be discussed later). The idea was that we would begin in the first phase with transferring

and delivering the Haraj (used items) and Livestock markets, as well as lands dedicated to other uses which had not been properly institutionalized and developed. The transfer, administration and supervision of numerous activities, which were not adequately monitored, managed, developed or supervised by municipalities -- such as metal scrapping, sale of spare parts and so forth -- were to follow later.

I attempted to establish a new formula leading to an equitable partnership between the municipal and private sectors, which would be beneficial to all, and signifies a radical transformation in municipal work by becoming a model for future initiatives, and consolidates benefiting from private sector companies related to the municipality. Such partnerships elevate the level of execution and management of service and public projects. Thus, the municipality acquires effective investment, managerial and service tools that assume a prominent role in developing and operating commercial centers, as well as service facilities in the city. It would also contribute qualitatively in raising the standards of its services, as well as develop the management of its facilities and activities. All of that would direct the municipality towards more financial and administrative independence.

I presented a proposal to raise the partners' percentage of capital ownership to the Company's Board of Directors, which was welcomed and encouraged by all. A belief prevailed that such a proposal constitutes a golden opportunity to move forward towards new horizons which would lead the Company and Riyadh Municipality towards a qualitative leap in providing services to the city and its residents. My desire was that the Municipality would be the first to benefit from such a transformation. Why not, given that it will share ownership of a successful public enterprise, focusing on investments, with a responsible private sector? One's success is contingent on the partner's success, as the saying goes. The Municipality would transfer public projects with special privileges to the Company. It will also offer its full support and cumulative management experience to those projects. The proposal for increasing the capital meant that the Municipality would contribute some of its projects in-kind following an estimation of their value by a specialized committee, thus increasing its capital share from 25% to 50%, while the remaining partners would raise their share so as to have a balanced partnership. I do recall my happiness upon reviewing the minutes of the meeting, dated 24/1/2004, and read it more than once.

Its words promised to realize a distant dream, followed by a breakthrough in municipal work, and that we would witness a creative solution to the dilemma of administering public services. My hope was for expanding that idea to enhance the quality of municipal services, as well as the administration, operation and maintenance of projects without placing any undue burden on citizens. Our main guiding principle was to satisfy citizens and not burden them with financial obligations or bureaucratic hurdles. I thought about what if Riyadh had ten or twenty companies comparable to Ma'aqliya, to take over additional municipal activities, like the Pension Fund, the General Organization for Social Insurance and other real estate companies which would be in for a public offering on the stock market once proven successful.

This new partnership with Ma'aqliya neither had an impact on the ownership of municipal assets, nor did it interfere with supervising the provision of public services. On the contrary it boosted both. Under that arrangement, the Municipality offered some of its assets, e.g. real estate sites earmarked for public services, as in-kind share in the company's ownership. This required that partners inject a large amount of financial resources. A partnership was thus established which was able to raise the level of development, administration, and operation of municipal services and associated projects. Including the private sector in urban development meant opening up new investment venues in that forgotten market and maximizing financial gains while simultaneously shouldering significant responsibility for development and a commitment to the social dimension. The desired outcomes were the provision of high quality services for citizens, while increasing municipal financial revenues thus allowing the sector to expand its development efforts and to increase spending and the enhancement of other services. The Board of Directors saw that the proposal achieved a number of objectives which include:

- Ensuring that service projects are executed according to the highest quality standards, and that they are administered based on the best management approaches according to a partnership whose guiding principle is adhering to the public interest and attending to the satisfaction of all citizens.
- Raising the Company's market value so that it reflects the interests of partners who are mostly from the public sector. This means that

revenues from municipal investments will be added to the assets of the General Organization for Social Insurance, the Pension Fund and the Saudi Real Estate Company.

- Strengthening the State's orientation towards partnering with the private sector in order to execute and administer public service projects.
- Sustaining Riyadh Municipality's supervision of those projects and streamlining operations by way of the presence of its Mayor in the Company's Board of Directors.

The Board's decision to begin the process of raising the Company's capital, based on an in-kind contribution from the Municipality towards ownership, was made on the condition that the municipal share would not exceed 50% from the Company's gross capital. This was to guarantee a balance between partners, and to further assure them that their voices, and the ability to influence the Company's course of action, would not be compromised.

At the time, we raised our proposal to HRH the Governor of Riyadh requesting his permission, guidance and blessings. And prior to implementing any executive steps, we also sought the approval of HRH the Minister of Municipal and Rural Affairs and the endorsement of HRH the Minister of Finance.

All responses were received in the middle of 2005, encouraging and supporting our direction. They all emphasized the need for clear regulatory steps which is something that we cared for, despite our conviction that government ownership of the Company would be retained, with the exception of the Real Estate Company, where the government owns a 70% share. The truth of the matter is that I had absolutely no concerns regarding forfeiture of rights. I was sure that this was a win-win situation for all and that its benefits were unambiguously clear. Given governmental backing, all parties will benefit and be able to achieve their objectives.

These steps culminated in the tentative agreement of HRH the Minister of Municipal and Rural Affairs to our request for raising the Company's capital. He directed us to fulfill some requirements related to carrying

out studies and obtaining data from respective sites, as well as estimating costs and so forth. To be honest, the debates with MOMRA consumed a lot of time and effort, but ultimately all requirements and directives were accommodated. This included the submission of approvals from partners pertaining to the supply of their share in raising the Company's paid capital. The agreement was signed in a 2007 meeting which also included presenting a report prepared by a local consultancy. Based on the report, partners were required to pay owed amounts as per the estimated cost for increasing capital, which was approximately 175 million Saudi Riyals.

Once the necessary capital was raised and contributions were made, we began the process of inspecting and studying sites which were transferred from the Municipality to the Company. There was great enthusiasm and eagerness from the Board of Directors and the municipal team to highlight the results of that step and show its direct impact on the quality of services. Citizens need to be able to directly witness the benefits of enhancing administrative procedures, operation and maintenance. That was our main aim and we promised a qualitative leap which would increase municipal revenues, relieve the sector from some responsibilities, and further improve how the municipality is perceived by the society at large.

As a first step, the Company began to prepare studies and outline benefits of vital service projects which would constitute a distinctive and important addition to the city. For example, this included the development and upgrading of existing projects such as the sheep market until its relocation to a new setting. Work also began on executing and operating new public service projects (e.g. a complex for metal assembly, a used items market and a complex for technical services). We began to see a path which would enable the Municipality to resolve this difficult equation: increasing revenues while minimizing expenses and raising the value of its assets accompanied by an enhancement in the provision of services which would also include raising their overall quality in terms of administration, maintenance and operation. All of that should be achieved without citizens bearing any kind of additional financial burdens. In 2009, the Municipality began the delivery of the agreed upon sites, and respective ownership titles in the name of Ma'aqliya Company were issued.

Such a project would not have been able to move forward without

encountering obstacles. In the beginning, while the Company was deeply engaged in reorganizing and upgrading the livestock market, complaints increased, driven by market investors who had a vested interest in controlling the market in the absence of municipal monitoring and supervision. That was due to the existence of regulations which aimed at limiting unfair and unlicensed exploitation, and preventing any expansion of commercial activity without signing a contract with the administration. As is usually the case, whenever there is a new regulation or development, resistance occurs from an exploitive group who do not wish their interests, which they wrongly claimed, to be impacted. These complainants continued to raise their objections to the Municipality, the Governorate, the Ministry and the Royal Court. Even though only a few months had passed since we started our work, and in the midst of all that ‘hustle,’ we were surprised by the issuance of a circular from HRH the Minister of Municipal and Rural Affairs concerning complaints from leaseholders of sheep pens in the Azizia Livestock Market. The circular observed that the Municipality vacated its properties for the Saudi Ma’aqliya Company in haste. Moreover, given the circumstances, HRH directed the formation of a committee comprised of the Directors of Investment and Legal Affairs at the Ministry, as well as the Director of Legal Affairs at the Municipality to study the matter further and communicate the findings to HRH. He also ordered stopping any procedures related to the sites that have been vacated for the Company, including the issuance of licenses. In addition to completely halting the operation of any previous licenses, as well as any ongoing construction work until the committee completes its task and a directive from HRH is issued.

In all honesty, the matter was very frustrating. Neither did we vacate those sites in haste to deliver to the company, nor did we infringe on the rights of traders. In fact, the opposite took place. Approximately four years of deliberations consumed more time than the matter deserved. All partners -- representing public and government institutions owned by the State -- had agreed to the specified work procedures. In addition, everything that the Ministry asked for in terms of documentation, research and estimation was properly completed and submitted as per the directives. Indeed, the Municipality’s position was clear from its very first letter requesting approval for raising the Company’s capital. It contributed its share of allocations through the delivery of properties used for public services, to be considered as a stake in the Company’s equity. Stopping all that returned us back to ‘square one.’

At any rate, apart from many details, discouraging deliberations, and attempts aiming at aborting such an initiative, despite its clear administrative and financial benefits, and following the saying that “if you cannot take it all, do not leave it all,” we did not succumb to despair. I decided, along with the municipal team and our partners at the Company, to move forward, as much as we can, based on received directives and hoping for a better future. Indeed, there is nothing that would prevent us from moving along this beneficial path gradually, and in phases. After close to two years, and following a presentation of the matter to the Royal Court, HRH the Minister directed the Municipality to only allocate empty sites to the Company. However, existing public markets, such as the Azizia Livestock Market, should remain under municipal control.

We followed the directive, albeit reluctantly, believing that it is better for the idea to be implemented in a limited manner and that perhaps things can improve in the future. And, indeed several empty sites were handed over to the Company, work energy was regained and arrangements made to establish Haraj Riyadh (used items market) as a replacement for Haraj Beni Qasim. Relevant studies were conducted to construct the market on a large site in the Industrial District. Its area reached 435,837 sqm, located between the roads of Ha’ir in the east and Mansuria in the west. The land was donated to the Municipality by HRH Sattam Bin Abdulaziz, Vice Governor of Riyadh.

The cost of executing and constructing the new Haraj Beni Qasim came close to 200 million Riyals. The project is still in its preliminary phases, and the actual developed area does not exceed 50% from the total allocated to the market. Indeed, there are more than 200,000 sqm awaiting future expansion. However, it became clear to everyone that the project represented a qualitative transformation for used items markets throughout the Kingdom, because it managed to avoid problems commonly found in other markets. Moreover, its organization allowed for the provision of services that facilitated selling and buying of items through bidding. The project has become one of the touristic landmarks for Riyadh, and its yearly income has exceeded 45 million Riyals. The hope is for this sum to increase further, given future plans which will provide complementary services to activities taking place in the used items market. In a future phase, the project will change into a company affiliated with Riyadh Holding, responsible for regulating the operation of used items markets throughout Riyadh, and two more sites will be added, to the northeast and west of Riyadh.

Another activity which the Municipality initiated by partnering with the Ma'aqliya Company is the recycling of scrap metals. In spite of the large amount of metal used throughout Riyadh and the accumulation of waste, there were no regulations that would organize the trade which was left to be carried out informally. Environmental degradation, numerous violations and theft, in addition to visual pollution, characterized the areas where this trade was practiced. Thus a proposal to transfer these activities to an integrated city which would specialize in that kind of activity was tabled. To be located on the Riyadh-Dammam Highway, it would cover an area of one million square meters and will be designated as the 'City of Metal Assembly.' It would bring together traders involved in the trading of scrap metal, where they would collect, sort out and press the metal for re-export to places outside Riyadh or the Kingdom.

The Company proceeded to plan the establishment of the 'City for Metal Assembly' on one of the empty sites that was handed over by the Municipality. Regulating the activity of recycling scrap metals was one of the 'dreams' that preoccupied Riyadh Municipality, given that while the trade expanded significantly, the Municipality did not allocate sites to those involved. The activity was practiced on property owned by others which constituted a burden for the Municipality as it had to chase, monitor and, in some instances, prosecute them. In addition, there was significant noise and visual pollution which had a negative impact on residents' quality of life. Accordingly, and in collaboration with the Municipality, the Company suggested a solution in the form of establishing a modern and fully integrated city in terms of services on a site with a total area of two million sqm in its first phase. That city was built and is now considered one of the most successful service projects in Riyadh. Owned and operated by Riyadh Holding, the city has accomplished a number of objectives which include eliminating security violations (such as theft and expiration of residency visas), environmental preservation, ensuring the application of regulations, halting the spread of informal activities in Riyadh's neighborhoods, and preventing chaos and a security threat. The overall cost of phase 1 is close to 200 million Riyals and yearly income is expected to reach 60 million Riyals.

The Company also planned to establish a city for technical services, which is a massive project that aims at combining all activities related to servicing different kinds of vehicles including all sorts of cars and trucks.

The city would include workshops for maintenance, repair, and upholstery, outlets for the sale of new and used spare care parts, as well as accessories for different types of vehicles. The Municipality selected several sites for the project and handed them over to the company.

The ‘Eastern Center for the Sale of Used Spare Car Parts’, located in the Sulai district on an area of 400,000 sqm, is one of the projects operated by the Company in the ‘City of Technical Services.’ It also includes an administrative building, two mosques, shops for selling used spare car parts, and workshops for car maintenance and oil change. There are also retail outlets serving the project. Overall, the center aims at supporting the trade as well as creating financial opportunities for small business owners. In addition, following completion of the project, the Municipality will receive half of the generated revenue.

There is also the ‘Riyadh Gate’ commercial project which was built alongside King Fahd road in the Oqaiq district on an area of approximately 16,000 sqm. The Company was keen on designing a modern center which would be of sufficient flexibility so as to permit modifications and internal divisions that would optimize the use of retail spaces. Similarly, the Municipality will receive half of the generated revenue following completion.

Without getting into too many details, I would like to highlight some numbers that may indicate our assessment of the successful performance of these projects, even though they have only been partially completed. The only exception is the first phase of the Used Items Market, which was opened in 2012, but still awaits the completion of additional phases. The Company’s gross revenue in 1997 – which is the year when I became the Mayor of Riyadh and was also appointed as a member in its Board of Directors – was around 5.5 million Riyals. The share of the Municipality was equivalent to 1.25 million Riyals representing 25% of its capital investment. In 2000, I assumed the responsibility of chairing the Board of Directors. Revenues increased quite substantially from that date and until I left my position as Mayor in 2012. In that year alone, profits were 7 million Riyals. With a share of 50%, and taking into account the entire time period (2000-2012), the Municipality gained a total of 53 million Riyals.

The Company’s revenues from the Used Items Market alone stood at approximately 45 million Riyals (50% went to the Municipality). That market

is witness to what the municipal sector could achieve. While the yearly income never exceeded 6 million Riyals, the Municipality spent substantially on its management, supervisors, and operation technicians. It also had to deal with exhausting efforts related to combating negligence, infractions and violations. In some instances, that also entailed dealing with administrative corruption and abuse of power. Also, the market was in a dire situation given the poor quality of stalls, insufficient parking, as well as absence of security and municipal supervision. The picture changed when the Municipality encouraged the Company to implement a new system leading to concrete outputs that included a 10-fold increase in income with a potential for more, resolved problems, as well as availing efficient services dedicated to citizens and project employees. The Municipality reclaimed the site of the old market so that it can be used in other projects. After discarding administrative and operational burdens, the Municipality focused on its supervisory and guiding role. It was also free to dedicate its efforts towards ensuring that the quality of services reaches international levels. The market is built on a large area and has an attractive architectural style. It benefits from appropriate facilities such as parking which operate quite efficiently. In addition, there are strict administrative procedures and extensive security arrangements. We were also able to secure the satisfaction of market employees -- bidders and shop owners -- as well as shoppers. Overall, their relationship with the Municipality and Company improved considerably. And, according to our commitment, citizens did not have to bear any additional costs even though they benefited from services and competitive pricing. Given the presence of a supervisory authority they also had assurances that rights were not violated, and that all items were properly inspected so that they would not cause any harm. Thus, another chapter was added to that successful story, and as a direct outcome to what was previously noted, the Ma'aqliya Company was converted to 'Riyadh Holding' in 2012 with a capital of 1 billion Riyals.

In 2012, following the completion of my duties as Mayor of Riyadh, the Municipality received a letter from HRH the Minister of Municipal and Rural Affairs. It requested evaluating the results of increasing the share of ownership in the Ma'aqliya Company. That assessment was subsequently prepared and it indicated the positive outcomes from that experience. For example, the Company had undergone a radical development in its administrative structure leading to enhanced performance levels and the diversification of investments which caused an unprecedented increase in yearly revenues

since its foundation. We also pointed out that the Municipality over the last five years achieved a profit of 55 million Riyals, in comparison to profits of 9 million Riyals in the preceding decade, and 1.5 million Riyals the decade preceding the last. Today, the Company owns an investment portfolio comprised of lands and profitable shares whose value has reached 500 million Riyals – 50% of which are owned by the Municipality.

The Municipality also mentioned a number of vital projects which the Company developed such as the livestock market which was successfully reorganized during the short time period in which Ma'aqliya was allowed to engage in such activities. This was not just reflected on the external appearance but also impacted the delivery of services. Moreover, revenues multiplied 3-fold in that limited time period. Unfortunately, had it not been for the directive of HRH the Minister, concerning stopping the transfer of market operations to the Company, and returning the Municipality to assume its administration and operation, revenues would have continued to increase and service delivery would have continued to improve. The same applies to the Used Items Market with its large capital and increased revenue of which the Municipality earned more than 22 million Riyals, compared to previous revenues which did not exceed 6 million Riyals per year. More importantly, the Municipality transferred the burden of operation to the Company while dedicating efforts towards its original supervisory mission, and was able to claim the land of the old market so that it can be used in other projects. In addition, the Municipality pointed out the Company's efforts in dealing with the problem of 'scrap metal recycling' which caused a nuisance and suffered from financial loss, but eventually became a profitable enterprise due to the removal of numerous problems. It suffices to note that in its first 6 months of operation, the project gained more than 20 million Riyals in profits, half of which went to the municipal treasury. I also noted upcoming projects such as the 'Eastern Market for the Sale of Used Spare Parts,' and the 'Riyadh Gate Commercial Center' from which the Municipality would earn 50% of their revenues, following completion and commencement of operations.

The partnership between Riyadh Municipality and the Ma'aqliya Company represented a pivotal and promising turning point in municipal work. It did not just reinforce wise directives concerning the involvement of the private sector in executing and administering service projects, but it also provided the Municipality with a strong investment arm. Riyadh Municipality

was thus aided in its monumental task, by speeding up the development, operation and efficient utilization of service centers throughout the city. Accordingly, the Municipality was able to affirm its position as a leader in decision making, as well as taking the initiative in drawing policies and future plans not just for those projects, but upcoming ventures as well.

It is my view that we need to rely on these, and similar initiatives. By adopting such an approach, I think that the performance of municipal services will markedly improve. The burden of establishing, developing, administering and operating public services will be transferred to partnering companies, and the Municipality will return to its original mission of supervising and guiding urban development. We will notice an improvement in the quality of public services, and achieve satisfaction among city residents. Such an approach does not deviate from the general policy orientation, calling for financial independence. Instead, it supports such efforts by improving the quality of services and developing numerous projects such as utilities, markets and public spaces. With a correspondent increase in revenue, we would thus be able to seriously discuss the possibility of strengthening financial and administrative independence, and provide satisfactory municipal services that respond to people's actual needs, as well as translate our development objectives effectively and creatively. The municipal administrative system would therefore not be deprived from higher financial and moral returns. Nor would it be hindered in freely executing its role, which would lead to a better and more distinct performance that ultimately benefits our citizens.

Indeed, we had great ambition and hoped for a more comprehensive impact. The initiative remained steadfast in the face of hindering attempts seeking to minimize its importance. It proved to be successful by being able to produce the desired effect and addressed those looking towards the future by pointing out that there are matters in dire need of attention. My hope is that this initiative will expand further and will be applied to other municipal activities, whether it is in Riyadh or other urban centers throughout the Kingdom.

The Riyadh le Ata'ameer Initiative. (2003)

The previous section provided an exhaustive account of the Ma'aqliya Company experiment, which we still consider to be a great adventure that was surrounded with obstacles and pressures. For observers, it partially revealed the difficult conditions facing decision makers in municipal management. And it further affirmed the need for an alternative system based on the principles of good urban management, guided by the rules of financial and administrative decentralization. There is however an alternative model to the Ma'aqliya experiment which differs in terms of ownership as it falls completely under the purview of the private sector. Accordingly, Riyadh le Ata'ameer Company came to light, translating the vision of HRH Prince Salman bin Abdulaziz, Governor of Riyadh. It was based on realizing the urgency in finding efficient investment streams that would be capable of achieving urban development objectives, while standing side-by-side with the municipal sector. There is no need to elaborate on the details of this initiative or to narrate the list of decisions that were made leading towards its establishment. The narrative of Ma'aqliya is sufficient in painting a detailed picture about the kind of administrative obstacles which occur due to an excessive centralization model that limits any kind of ambitious development initiative.

Similar to Ma'aqliya, the existence of the Company was linked to the objective of establishing a professional private sector that is highly efficient and disciplined in its performance, capable of collaborating with other companies and attract investments. This is a matter of great importance because such a qualified sector can truly be the best strategic partner supporting the Municipality in carrying out its tasks. Together, they would engage in a partnership that seeks to capture opportunities benefiting citizens, while sharing part of the risks. Given its various incentives and capabilities, that sector is able to upgrade the conditions of the Municipality, save it from its crisis and the pressures it is suffering from. It will also return to its original, but forgotten, role of organizer and supervisor. In turn, the main operational and implementation processes are delegated to the private sector. This would lead to investment growth in the area of urban development, and ultimately benefit those wishing to participate in such an approach.

It is not the sole aim of the municipal sector to resolve the problem of

limited income revenues and to escape its pressuring confines. Rather, the aim is to institute a work culture among municipal executives, directors and employees which entails a new approach towards accomplishing objectives that would break away from the deeply rooted professional mentality of collecting fees. It is a new culture, able to understand what is truly needed in order to achieve the objectives of a qualitative change and allow the proper execution of urgent municipal projects and activities. This would raise the quality and level of services offered to citizens, while eliminating administrative slack and corruption. There would also be a reduction in the number of employees in the municipal sector, thus opening the door among technically qualified staff to work in the private sector.

Riyadh le Ata'ameer was established as a Saudi shareholding company in 1993 with the main aim of developing and upgrading downtown Riyadh. At the time, the decision maker judged that giving an opportunity to the private sector to act as a development arm, engaging in the construction of large urban and commercial projects, would support the efforts of public and governmental agencies in that regard. And, while it is true that the establishment of both of these companies has similar aims in terms of urban development, there are some significant differences particularly in their relationship with the Municipality.

Riyadh le Ata'ameer is wholly owned by the private sector, and is considered a joint stock company with a capital investment of 1 billion Riyals. The Municipality does not own any shares even though it played a significant role in its formation. The Honorary President is HRH the Governor of Riyadh, and the Board Chairman till this day is the Mayor of Riyadh. Ma'aqliya, on the other hand, is a limited liability company (LLC) formed with a smaller capital investment of only 100 million Riyals. Its ownership, since its inception, was equally distributed between four governmental institutions: Riyadh Municipality, the General Organization for Social Insurance, the Public Pension Agency, and the Property Management Company.

It appears that by establishing these two distinct models, the decision maker wanted to differentiate between Riyadh le Ata'ameer and Ma'aqliya in terms of ownership, capitalization and administration. Such a distinction would provide an opportunity for citizens and the private sector. It also

reflects a desire to free Riyadh le Ata'ameer from any governmental role in its management. It is important to note that Riyadh le Ata'ameer was established nine years after Ma'aqliya. The time period was long enough to allow for evaluating the performance of the latter, and to assess the extent to which it was compatible with, and fulfilled the ambitions of, the decision maker. The latter was keen for both companies to have development arms that would hasten to develop and upgrade downtown Riyadh, work in integration with the government sectors while enjoying sufficient freedom, flexibility, and not be constrained by the administrative bureaucracy of the State. At the time, however, it seemed that Ma'aqliya Company did not keep up with the ambitions of the decision makers – whether it was the pace of development or the diversity of projects.

Based on my experience working for close to 15 years in the municipal sector, I can conclude that it would be preferable to have a model accommodating both approaches. Accordingly, the Company would be equally owned by the public and private sectors, and perhaps with a slightly smaller share for the former. Each of those sectors has their relative advantages. Combining them greatly increases benefits since they can potentially complement each other. This becomes particularly important in situations where the private sector is in a weakened position due to its lack of experience in investing and developing municipal activities. Those are typically carried out by the governmental and municipal sectors, although it is an effort that is hampered by routine, restricted by bureaucracy and administrative rules, and lacks the necessary financial and administrative independence.

What the Municipality accomplished with respect to the Ma'aqliya Company remains an attempt in moving towards such a direction. Hope remains that Ma'aqliya (Riyadh Holding) will transform into a joint stock company whose shares are offered in the Saudi Stock Exchange. In my view, this will affirm the original intent behind its formation. It will contribute to the Company's administrative, financial and strategic flexibility while diminishing the impact and hegemony of governmental decisions. Moreover, Ma'aqliya will not be subject to changing circumstances given the constant rotation of government officials, as well as the absence of standards ensuring a sustained and continuous development. Also, it would not be at the mercy of a change in approaches by officials, or be contingent on their personal convictions regarding the development directions set by their predecessors.

As for Riyadh le Ata'ameer, the Municipality aimed at forming a strategic partnership and sought to forge a strong relationship both during the foundation of the Company or through its involvement in downtown Riyadh. There were two advantages that pushed the Company forward and allowed it to accomplish what the Municipality was looking for: HRH the Governor of Riyadh was its Honorary President, and the Mayor was the Board Chairman. Also, the Municipality gained a development and investment 'arm', and built a strong partnership which facilitated the construction of projects and provision of services benefiting the city and its residents.

Riyadh le Ata'ameer was distinguished by its extensive retail experience. In particular, it administered the wholesale vegetable market to the south of Riyadh, and the Marqab vegetable and meat market in the downtown area. Our aim at the beginning was to deliver all existing vegetable markets such as Otaiqa, Rabwa and Al-Shamal, in addition to any future markets needed in Riyadh. Similar to what takes place in Al-Marqab market, we wanted to distribute small central markets throughout the city's neighborhoods. In this manner, they could be more easily monitored and supervised.

As previously noted when discussing the Ma'aqliya Company, those projects had significant opportunities and advantages. They would substantively increase if a true partnership is established with the municipal sector. Upon assuming the Board's Chairmanship in 1997, I was surprised to learn that the Municipality does not have a stake in the Company's ownership, commensurate with ongoing efforts to ensure its success. Shares owned by the Municipality were, and continue to be, quite limited (four thousand shares valued at 40,000 Riyal) even though the Company's capital value was estimated at 1 Billion Riyals. I am still wondering why that is the case, especially since the Municipality could have included some of its properties in downtown Riyadh as capital investment with a share of 25% or 45%. Such an arrangement is different from Ma'aqliya, since 75% or 55% of the shares will be owned by the private sector and individuals. This would also justify why the Company's Board of Directors is headed by the Mayor of Riyadh.

I proceeded with my work, convinced that the Company has exceptional capabilities and that it has a golden opportunity by partnering with the Municipality. Such a relationship would be beneficial not just for the partners but also for city residents. At the time, the Company was about to complete

the construction and operation of the Marqab vegetable and meat market. However, its efforts in constructing the Ta'ameer Center in Downtown Riyadh – a major retail outlet – did not go beyond some initial stages. It suffered from delays due to the accumulation of conflicts with the contractor assigned to execute the Center's construction. Additionally, they kept increasing mostly because of additional financial demands.

Within a year, I had gained considerable knowledge about the Company. I also had unlimited support from HRH Prince Salman bin Abdulaziz, Governor of Riyadh and Honorary Company President. It seemed that he had an unmatched enthusiasm for the Company, and betted on its ability to lead the urban development of downtown Riyadh. He hoped that it would be a tool to achieve some of his aspirations for a city that he loved, and to which he dedicated a considerable amount of time and effort for its upgrade and development. The Company had some notable advantages, including an executive board comprised of notable business leaders. It also had an ambitious and young administrative staff that had constructive ideas and sought to introduce numerous innovative projects. I collaborated with this team and aimed at strengthening it by including young and qualified Saudi employees, and delegating the necessary authority to the Company's General Director. While attending to those matters, I was very much conscious of the time factor, and that there was a need to take this into account, so that the Company may advance. At the same time, it was necessary to create a clear and achievable partnership framework with Riyadh Municipality.

At the beginning, I suggested that both Ma'qaliya and Ta'ameer Riyadh could be combined into one entity, believing that this would achieve our desired goal and unify our development efforts. However, the idea was not received favorably by officials and administrators in both companies. The only remaining option was for each to move forward independently.

In 2004, we proposed a capital increase, with the Municipality contributing its share through assets, to the Company Director and the Board of Directors. The outcomes of the discussions and overall reactions were both positive and promising. The subject was submitted in a subsequent meeting and included two components. The first was a proposal to allow the Company to expropriate land west of King Fahd Road (according to the Company's exclusive rights), and prepare it as a location for the Stock Exchange and

supportive commercial services. The second was a proposal to increase the Company's capital by 50% to be covered by the Municipality which would enter as a partner (owner and investor). Financing would be accomplished by swapping of the existing municipal investment projects such as markets. Both proposals were widely welcomed. This was further affirmed by a request from the Company's administration to collect information so as to move forward in setting a clear implementation mechanism and a timeline. Subsequently, legal and administrative requirements would be presented to the Board.

The origins of the first proposal go back to 1983 when the establishment of a Financial Market became a matter of interest for HRH Prince Salman bin Abdulaziz, Governor of Riyadh. At the time, the Higher Executive Committee for the Development of Qasr Alhokm District issued a decision to designate a location within the project to build a Stock Exchange. To that effect, HRH communicated with the Finance Minister to ensure that the project becomes one of the main elements in the district's urban development plan, in case a decision for its establishment is made by relevant authorities. Interest in the matter was renewed by HRH in another letter issued in 1987, affirming a desire for Riyadh to become the Headquarter for a Stock Exchange, once the decision has been made to establish such a market in the Kingdom.

At the end of 2003, the Consultative Council approved the establishment of a Stock Exchange and the decision was submitted to the Royal Court. Accordingly, I submitted a letter to HRH Prince Salman bin Abdulaziz offering the readiness of the Municipality, or the Company, to study the construction of a Headquarter for the Stock Market on one of the plots belonging to them in the Qasr Al Hokm District. This would strengthen the district as a commercial and administrative center for the city. HRH then submitted a letter to the Finance Minister reminding him – for the third time – about the importance of locating the Stock Market in Riyadh, specifically in its downtown area. Furthermore, he issued a directive to form a committee comprising representatives from the Municipality, the Center for Projects and Urban Planning, and the Riyadh le Ata'ameer Company to further study the matter.

The outcomes of the study were raised to HRH and included two suggestions. The first concerned the Stock Market project and the associated

commercial services, and the second involved increasing the capital of the Riyadh le Ata'ameer Company. HRH expressed his support and communicated with the Finance Minister in order to implement those suggestions. There was great enthusiasm for those ideas, especially since such a project would revive the city of Riyadh, and lead to the formation of an international financial district as is the case in many world cities. Furthermore, this encourages the development of other districts in the downtown area. At the same time deteriorating neighborhoods which could no longer be preserved, could be quickly eradicated by the Municipality. However, some sections whose overall conditions allow for renovation can be kept intact.

Unfortunately, the Ministry of Finance did not desire to support the proposal. And it subsequently transpired that they encouraged the Public Pension Agency to purchase land in northern Riyadh, for the purpose of developing an investment project as a financial center. The Agency subsequently began construction of the project on their site in northern Riyadh. An exceptional investment opportunity was thus lost, which would have led to a development boom in the downtown area. Consequently, partners from the Municipality and the Company saw that the Stock Exchange project was no longer feasible, and therefore decided to close this file.

We proceeded to encourage the accomplishment of the second suggestion, whereby the Municipality contributes shares in kind that would raise Riyadh le Ata'ameer's capital to a level permitting the formation of a diverse investment portfolio. In 2006, we raised the matter to HRH the Minister of Municipal and Rural Affairs, noting that the Municipality would increase its capital share through assets that include vegetable markets in the east and north of Riyadh, and other projects planned to be implemented in the future. We pointed out the financial, administrative and service returns of the project, and how it will benefit both the Municipality and Company as well as the city at large. Within a month, HRH the Minister raised his support of the matter to the Custodian of the Two Holy Mosques, the late King Abdullah bin Abdulaziz.. He requested approval of the partnership according to the terms set by the Municipality, so that it can proceed with direct executive procedures. Further, assurances were made to the Custodian of the Two Holy Mosques that any procedures are subject to scrutiny from the Ministry and need to be pre-approved.

In reality, the procedures did not move forward as they should have. Indeed, the formation of a committee to study the matter led to a process of give-and-take, where numerous questions were raised, thereby causing significant delays. A clear and direct proposal to raise the Company's capital by partnering with the Municipality thus turned into a discussion about the 'Saudization' of vegetable markets and the efforts exerted in that regard. This took place even though the Municipality and the Company were committed towards full Saudization of all projects benefiting the public. Given the lengthy debate, which concurred with what has been previously mentioned regarding the Municipality's proposal to raise Ma'aqliya's capital, and the Ministry's unwillingness to transfer any public benefit markets to Ma'aqliya, we concluded that the desired partnership was impossible. Indeed, all our proposed ideas were aborted for reasons and purposes only known by members of the participating committees.

It was a wise choice then to let time pass hoping that something new would resolve that problem. Or, renewed opportunities would surface to bring up the subject again. Under such conditions, we felt that it was better to lower the level of our expectations, without giving up hope that the initiative may resurface in the future. We continued to respond to questions and requests from the committee. In parallel, we moved towards implementing other initiatives concerning the Ma'aqliya Company. Time passed and, as expected, the initiative did not see the light of day. Thus we resubmitted the proposal in 2011 hoping that the experience of Ma'aqliya would be encouraging and that the accomplishments of Riyadh le Ata'ameer over more than 15 years would be taken into account. Those accomplishments include the operation and administration of successful public service projects which have benefited the city and its residents. Such achievements may lead decision makers to reconsider the matter with a different and more positive attitude.

In 1997, five years after its foundation, the Company completed the construction of the Marqab meat and vegetable market on an area of 13,000 sqm. With regard to the highly significant Ta'ameer Center project, we aimed at resolving the conflict between the Company and the contractor. Thankfully, the Company was able to overcome that obstacle and recovered its ability to continue the construction and further development of the project. Afterwards efforts to propose innovative ideas and initiatives were resumed.

In 2014, the Company achieved exponential growth in its assets and earnings, with yearly revenue exceeding 294 million Riyals, which is quite significant if we consider that they had never gone over 24 million Riyals. According to official financial records, all debts were paid off and investment activities in the implementation, operation and management of public service projects, such as retail centers and markets, continued. It also invested in residential and commercial real estate projects which entailed planning, developing and preparing sites in the city's downtown district as well as outlying areas. It did not tire from developing its organizational structure further. The company was in fact keen on employing qualified local cadres, to the extent that they exceeded more than 75% of the overall workforce. This particular achievement was honored and praised by receiving the 'Prince Naif Saudization Award' in 2010.

Riyadh le Ata'ameer truly showed how it is possible to build investment and executive arms which aid municipal institutions. And, it supported the Municipality in establishing additional service projects benefiting the citizens of Riyadh. It is important to mention some of the projects which the Company accomplished relating to municipal work and the overall urban development of the city over the last few years. This includes implementing a master plan and constructing the infrastructure for the residential and commercial district of Telal Al-Riyadh which was built on an area of 1 million sqm located to the north of Riyadh. Similarly, Shorouq City and Technical Services is another residential and commercial district located to the east of Riyadh on an area of 3 million sqm. It also completed the Ta'ameer vegetable and fruit wholesale market, the Ta'ameer Public Transportation Center, the Ta'ameer vegetable and meat market in Batha, and the Ta'ameer International Car Auctioning Center. In addition, it prepared the Dhuhaira district for development, established the Riyadh Ta'ameer market, and constructed refrigerated warehouses for use in cold storage and freezing.

The Company invested in, and developed, the Otaiqa vegetable and fruit market which is one of the projects currently under construction. Considered one of the oldest and most important markets in Riyadh, it has been subject to numerous upgrade attempts but to no avail given insufficient funds. There were also several architectural competitions to redesign the market. However, the entries lacked seriousness, and there was no sincere desire among competitors to create a distinctive design and construct a high-quality project.

The Municipality therefore found that it had no choice but to design the Otaiqa market so that it includes the desired elements, services and specifications. The intent was to develop a project that would have a distinctive character, incorporating the concept of a traditional market, which was, and still is, remembered by city residents who visit and purchase their requirements of fruits, vegetable and dates. The market would also be a distinct landmark, in addition to its function as a public retail outlet. After tendering the project, according to specifications and stipulations set by the Municipality, it was subsequently awarded to a private sector company. However, the company stumbled and construction never commenced.

The Municipality had to withdraw the project and resubmit it for another bidding process. This meant exerting effort and time, given that the resubmission necessitated further administrative procedures. Additionally, there were no guarantees that another company would be in a better position than its predecessor. However, we were fortunate that an agreement was reached between the private company, and Riyadh le Ata'ameer. With the blessings and approval of the Municipality, the former delegated the project to the latter according to specific financial conditions, without any interference from city authorities. Responsibility was thus assigned to Riyadh le Ata'ameer which proceeded with construction activities. Everyone is hoping that the project will be finalized soon to continue, along with other planned projects and investments, the Company's march forward.

The Instant Building Permit Initiative. (2006)

A precedent for organizing, facilitating and engaging the Private Sector.

“If you want to eliminate corruption facilitate procedures, and vice versa.” I and many other officials heard this phrase from HRH Prince Salman bin Abdulaziz, Governor of Riyadh. He was urging everyone to facilitate procedures, pay attention to citizens and their affairs, as well as eliminate restrictions and ensure that nobody is favored at the expense of another. He was also keen on rules that are followed by everyone. But, he also abhorred complex procedures, administrative intransigence, and any hardline interpretation of regulations. Within that framework, he supported the Municipality’s approach in combining a commitment to implement regulations and facilitate procedures for citizens.

The ‘Instant Building Permit’ initiative is considered a pioneering regulatory program, which allowed the Municipality to break the closed cycle pertaining to the issuance of licenses. Thus, it was able to significantly shorten transaction time, or more accurately, completely eliminate waiting for weeks and months. Additionally, the program enhanced the level of integrity, justice, fairness and transparency for all procedural matters concerning municipal regulations.

The idea for the program originated in 2006 with a voluntary implementation in the residential sector beginning in 2008. Mandatory application in relation to industrial land uses commenced in 2009. In 2011, engineering offices were required to obtain instant permits for residential structures (villas, palaces) through the Municipality’s online portal for electronic services. The general regulatory framework for the program was completed in 2012, by issuing instant permits for residential, office and commercial high-rise buildings.

The instant permit program was based on a management philosophy comprising five aspects: clarity, trust, partnership and follow-up, followed by firmness.

- Clarity: As it relates to construction requirements and associated municipal regulations, available to everyone with great detail.
- Trust: As it relates to citizens and engineering offices, given that the majority is committed to the rules, so it is inappropriate to treat them as if they were violators.
- Partnership: As it relates to the engagement with consultancy offices as a partner entrusted with verifying that all conditions necessary for the building license have been fulfilled, prior to submitting the construction blueprints. A follow-up will be implemented to ensure the integrity, precision and credibility of what has been presented and the extent to which they abided with rules and regulations.
- Follow-up: As it relates to ensuring that regulations have been implemented after the license has been issued, and not before.
- Firmness: As it relates to implementing the program, by suspending building permits for violations discovered during any subsequent follow-up. The responsible engineering office would bear the consequences of such violations, which may include suspending its operations if needed.

From a practical perspective, the idea for an instant permit is comprised of three aspects. First, clearly and precisely detailing all aspects related to building requirements and regulations and making it available to all through the Municipality's online portal. Second, the commitment of the engineering and design office to a legal agreement with the Municipality concerning those regulations and bearing full responsibility for any violations in submitted documentations and blueprints. Third, the Municipality retains its right to follow-up after a license has been issued, and takes necessary action towards ongoing construction and the respective engineering office in case there is proof of violating building regulations.

It was nice to realize that one of the positive aspects related to issuing instant building permits, is that it necessitated preparing a proper administrative environment within Municipalities and its management system, to enable proceeding with the initiative. Even better still, it pushed the Municipality towards other initiatives, whether those were necessary as prerequisites for

launching the initiative, or other complementary programs. These regulatory and proactive steps entailed the adoption of online transactions. Accordingly, all building regulations, following hard work and tireless efforts, were placed on the municipal online portal thereby allowing citizens and engineering offices to make inquiries easily. In order to privatize some tasks, the Municipality introduced the 'Central Administration for Monitoring Buildings and Facilities'. The project was assigned to a consultancy office who were also required to provide technical support. The aim was the provision of necessary regulations and support, so as to intensify monitoring of structures to identify and stop violations right from the outset. The Municipality also affirmed the principle of decentralization by establishing licensing administrative units in each of the 15 sub-municipalities, and ensuring the delegation of necessary powers. Also, provisions were made for a technical rehabilitation of those units so that they are conceived as customer service centers. Lastly, there was an effort to improve the relationship with consultancy offices by holding training sessions, meetings and workshops. As a result, the number of engineering offices that have registered electronically through the online municipal portal at the time reached 328 from a total number of 375.

Gradually, the success of the program became evident as the number of issued licenses increased quite substantively. In 2012, 11,155 licenses were issued for villas, 856 for workshops and warehouses, 93 for multi-story buildings, and 6 for high-rise offices and residential towers. A Ministry of Housing development, located within the grounds of King Khaled Airport, is one of the projects that received an instant permit. Occupying an area of 5 million square meters it is comprised of 7,000 residential units. Indeed, there was a substantive turnout for the initiative from numerous consultancy offices. In addition, the ability and experience of municipal engineers to engage with the initiative was greatly enhanced to the extent that the number of issued instant permits during the 2014-15 periods reached 27,479. Those included multi-story buildings, residential, office and commercial towers, structures built according to the upgraded system along streets, commercial outlets, central markets and service facilities.

The Municipality received several achievement certificates and awards due to the establishment and implementation of the Instant Building Permit program. For example, HE President of the Control and Investigation Authority commended and praised the program in a 2008 letter, noting that

it “facilitated the procedures involved in the issuance of building permits. Moreover, it is a matter of great concern for both the Authority and the Municipality as it constitutes a preventative measure to protect integrity, block those with compromised morals from engaging in illegal acts, and to eliminate loopholes which they may use to their advantage.” Additionally, in 2009, the General Investment Authority thanked both HRH Prince Salman bin Abdulaziz, Governor of Riyadh, and Riyadh Municipality for introducing the Instant Building Permit program. In their praise, they pointed out that the program contributed to improving the Kingdom’s standing in the 2010 Global Investment Competiveness Report – specifically the ‘Issuance of Permits’ indicator where its ranking changed from 50 to 30. The program was also one of the main factors that contributed to receiving the 2010 Arab Towns Organization Award, for the use and implementation of computer applications. Similarly, the program received in 2010 an ‘Achievement Award for Electronic Transactions’ under the category of ‘Strengthening the National Economy’ from the Ministry of Communications and Information Technology. That achievement was crowned, during the visit of HRH the Minister of Municipal and Rural Affairs to the Municipality in 2012 and following a briefing of the initiative, by instructing all municipalities in the Kingdom to explore the Riyadh Municipality Instant Building Permit experience and take concrete steps towards its implementation. He praised the program and considered it as a model to be followed.

The Instant Building Permit program led to an integrated system of initiatives and actions whereby both the public and private sector were involved in raising the level of responsibility, enhancing the quality of achievements, and facilitating procedures. It also contributed towards an increase in satisfaction among citizens and businessmen. The program motivated and will continue to motivate initiatives, technical and administrative arrangements, as well as the organization of the technical and administrative municipal environment. Also, it raised the level of professional integrity among municipal staff. In addition, it achieved justice and fairness among all nationals. Among its outcomes was an orientation towards administrative decentralization, and privatizing some technical tasks which ranged from monitoring buildings, to implementing building regulations and issuing of permits.

My hope is that the wise phrase “If you want to eliminate corruption facilitate procedures, and vice versa” continues to be used as a guiding

principle among all employees in the municipal sector who exert considerable efforts in this regard and have numerous positive achievements. Facilitating procedures is not an easy task, but it is a worthy goal given its positive results which are coupled with the development of numerous systems that would serve upgrading of municipal work. Ultimately, improving the quality of services increases the level of satisfaction among people.

The Central Monitoring System Initiative. (2007)

The majority of municipal violations related to private and commercial building regulations. Most of the inspections conducted by the Municipality staff showed transgressions in building size, setbacks and other matters pertaining to construction. Many of these regulations were, however, not particularly convincing to me, especially those that did not take into account the need for expansion, or considered the economic conditions of some segments of society. And generally speaking, would not have a significant impact on neighboring residential structures. However, building regulations are applicable across all cities in the Kingdom, and Municipalities are required to adhere to those rules. Many complaints were a source of embarrassment in a way, as I strongly believed that citizens need to have an ability to extend and add to their property. Concomitantly, though, it is imperative to implement the regulatory system. One was thus left with difficult options. For example, what is the harm in allowing citizens to add to the rooftop of their buildings a room, storage facility, an exercise space or even an apartment for one of their children, especially given that the regulatory intent is to prevent the exposure of neighbors, or exceeding the two-story limit of residential buildings? The rules stipulated that additions should not exceed 10% of the total roof top area and violations would be subject to immediate removal. Municipal practices in this regard did vary involving either removal or imposition of fines. In some cases, both of these measures were applied by partially removing some violations.

Given my deep conviction regarding the citizens' need for some additions to the built areas, I have chosen to stand along their side and implement the spirit rather than the letter of the law. Accordingly, I issued a decision at the time to raise the area allowed to be added to rooftops from 10% to 30%. Naturally, I received some remarks from colleagues noting that the Ministry of Municipal and Rural Affairs may voice their objection. However, I and some colleagues were convinced that this was a positive step to serve the interest of citizens. At the same time, it also benefited the Municipality, even though it will result in reduced revenues from violations. This is due to the fact that such a measure reduces the number of violators, which would, in turn, minimize the administrative costs and time, associated with following up on these infractions and correcting them. And, this was indeed what happened. The results and outcomes were positive and encouraged us to increase the

percentage of buildable areas on rooftops to 50%, on the condition that any additions would not include openings and windows overlooking neighbors. That step allowed citizens to expand their living area thereby fulfilling some of their residential needs. At the same time, the Municipality was perceived in a favorable light – seen not as an agency concerned with monitoring people and imposing penalties -- but that it also has a humane side which is able to detect needs and respond to people’s aspirations in a manner which exceeds their expectations. Following the Riyadh initiative many other Municipalities throughout the Kingdom followed suit and implemented a similar system.

Naturally, building violations were not restricted to what has been mentioned above. They went beyond simply adding one or two rooms for personal use to the roof top. There were other, more serious violations confronting the Municipality and they included increasing the number of stories, encroaching on neighboring land, or not adhering to setback requirements. All of these are unacceptable violations and they cannot be mitigated through fines since they cause harm to neighbors. Also, many violators are quite willing to pay fines given benefits which they obtain through their transgressions. Removal in such conditions will not correct the situation. In fact, such a measure is in most instances difficult to implement, since it can lead to harm and increased costs. For example, it is not feasible to eradicate a whole building just because of setback violations. As a result, such problems and infractions can remain unresolved for years with lengthy procedures, involvement of numerous committees, and litigation in civil courts. While one may blame the Municipality for not immediately identifying these violations, the reality is that the number of issued licenses exceeds the capacity of the technical, administrative and monitoring staff. On top of that is the issue of attempting to circumvent procedures by some violators. Thus, the idea arose to establish the ‘Central Administration for Monitoring Buildings and Facilities’ program.

The idea of the program was based on enhancing the prestige and capacity of the Municipality while strengthening its ability to implement the system and quickly identify violations. Therefore, the program was designed as a monitoring project to be implemented by a capable technical agency. The Municipality aimed at achieving a number of objectives at once, including:

- Enabling the Municipality to enhance its ability and raising its capacity

to follow-up and control all the construction phases in commercial and residential buildings regularly and frequently, in addition, to enhancing the ability for professional monitoring of all buildings under construction.

- Relieving the Municipality from administrative and technical burdens, so that it is able to devote its efforts to monitoring, developing and supervising. This would be accomplished by transferring the task of control from the municipal to the private sector.
- Relieving the Municipality from the financial burden through cost-saving measures. This would be achieved by minimizing the manpower needed for the technical and administrative control of buildings. The task is transferred to the private sector, and financing takes place through revenues generated from the program in the form of fees and penalties.

The introduction of the Central Monitoring Project was justified on the grounds that there has been a continuous and rapid expansion of Riyadh's urban area. It also became imperative to introduce such a measure to support, organize, and strengthen monitoring of construction so that violations are identified right from the outset. Routine patrols would take place across the city to monitor and inspect construction activities, including construction of new buildings, additions to existing structures, restoration work, and internal modifications. All those would be subject to inspection to ensure that they follow guidelines set out by their permits and certified blueprints.

The program has several objectives which include activating the monitoring of buildings and facilities so as to limit building violations, increasing societal awareness of the importance of following building regulations and the adherence to approved blueprints and permits issued by the Municipality, in addition, to preventing any harm to neighbors due to violations to privacy and encroachment on property. Other objectives include establishing a digital database comprising information related to monitoring activities, ownership, and project images, as well as maintaining the city's infrastructure by issuing reports about violations that occur on sidewalks, streets and public utilities so as to hold violators accountable. In case of violations, notices to stop work can be issued, either for the entire project or partially. Furthermore, to facilitate procedures for citizens, they

were no longer required to be physically present at the main headquarters or sub-municipalities in order to obtain required signatures on the rules and regulations of the program. Instead these matters can be dealt with at the respective consultancy and engineering offices. The Municipality emphasized that offices need to ensure that building regulation requirements are clearly set out and provided for their clients. These in turn need to be signed by the owner of the property and the project, with the attendance and knowledge of the director of the consultancy office.

It was pointed out in a report published by Riyadh Municipality in 2014, that the ‘Central Monitoring Program’ since its establishment had distinctive achievements. Chief among them is a well-ordered urban environment, as was evident in a substantive reduction in building and facility violations. And there were expectations that this would continue at a high rate. The report also revealed that the program increased the awareness of citizens and project owners about building regulations and the need for adherence to these rules, which in turn led to a decrease in building violations. Moreover, the report indicated that most citizens were cooperative and keen on following the rules and regulations as stipulated by the regulatory stature. This was of particular importance for owners of large scale projects as they engaged with consultancy offices, thereby avoiding consequences resulting from committing building violations.

Preparations were also made to develop a website for the Central Monitoring Program containing necessary information and services which would facilitate the affairs of citizens and consultancy offices. The site contained a Smart Phone application whereby users can report any kind of violation by uploading an image via their phones which would then be transferred to the concerned authority so that it can deal with the matter and take necessary measures. The website also establishes the location of the person reporting the violation, which in turn encourages consultancies and citizens to report such matters and increases their sense of responsibility towards maintaining and adhering to building regulations.

The report emphasized that the ‘Building Monitoring Application’ is considered one of the main outcomes of the ‘Central Monitoring Program,’ in line with advanced technical developments in that field. The application aims at enabling residents of Riyadh to report violations related to buildings and

facilities throughout the city. The website also engages with, and facilitates interaction among, numerous stakeholders starting with the Municipality and its affiliates, consultancy offices and project owners. The Municipality was encouraged to pursue this approach in matters related to environmental health, by monitoring adherence to sanitation standards in restaurants and food storage facilities. We will not go further in explaining the Health Control Project, since it resembles in many of its details the Central Building Monitoring Program and went through very similar circumstances.

While the program eventually came into existence and was implemented, matters did not proceed as they should have, as it was subject to interference from the Ministry of Finance. I recall being surprised, following submission of the project as a competition among several consultancies, that the Ministry refused its full financing. Instead they approved only partial funding. We were therefore forced to limit the project by restricting its application to buildings located along major roads. Housing projects within residential neighborhoods were excluded, and some adjustments of requirements from consultants were made just to conform to the Ministerial decision reducing the required financial support. Yet it should be noted that the project was capable of self-financing through a substantive increase in municipal revenues by collecting fees and penalties. This also would have positively enhanced the Municipalities' ability in implementing rules and apprehending violators.

The Municipality was not able to complete the sequel of transferring some of its tasks to the private sector and restricting its role to planning, supervision, monitoring and following-up. We had a desire to reduce the number of its staff and raise the efficiency of city management while financing the program from its revenues thus ensuring its sustainability. In other words, full privatization. However, interference from the Ministry of Finance thwarted these ambitions. Privatization was thus incomplete since tasks were transferred to the private sector following a reduction in mandate and limited financing from the center.

Such interactions and dependency on the Ministry of Finance are not sustainable in the long run and do not ensure the credibility of such projects, because, the Ministry can at any moment stop financing those programs. This puts the Municipality in an awkward position since contracts with the private sector may not be renewed for any circumstance that the Ministry claims

to exist. Thus, the Municipality faces a situation in which it is significantly weakened since it does not have the ability, nor the human and financial resources needed to accomplish its mission.

The Municipality was looking forward to continuing and further developing such projects, in addition to increasing their range so that they respond to the city's ongoing urban development. Indeed, the principles used in establishing such a program were satisfactory and acceptable for all concerned parties. They raise the efficiency of municipal administration, improve performance, minimize cost, and they do not result in any financial burden borne by citizens. However, the Municipality was unfortunately forced to accept such illogical directives, as it had no choice but to agree with some elements rather than completely forsaking the matter. The approach of the Ministry resulted in 'limited privatization' which the Municipality was forced to accept in the hope that the overall administrative and organizational environment will eventually improve so that it becomes financially independent. Such an independence will enable the sector to launch innovative ideas and initiatives, taking them to new frontiers and leading to cities that are able to properly grow and prosper.



تسعة (٩) مشاريع تطوير شامل ينفذها القطاع الخاص بالرياض تقدم

أكثر من ١٠٥ ألف وحدة سكنية بتكلفة تتجاوز ١٣١ مليار ريال

مشروع الأمير
الوليد بن طلال



إن الهيئة العامة لـ مكة المكرمة التي تشرفها مدينة الرياض
وتشرف من ألقه ذو ذات جيلان مناسبت اليوم الثاني الأهم
مخارج من المدينة الرياض منطقة الرياض وهو قائم من
المرور الثاني الأهم من الرياض من حيث الممرات، وهو من
من ممرات الرياض التي تشرفها الهيئة العامة لـ مكة
مكة من ممرات الرياض التي تشرفها الهيئة العامة لـ مكة
والرياض.
حيث بدأ التطوير بالمشاورات والتخطيط مع جمع التطوير
القائم والتي تشمل من الرياض والحقل سكنية وكثافت
وممرات وممرات وأسس التخطيط والموارد البشرية
ومساحة والخدمات العامة.

القصر



درة الرياض



شمس الرياض



مشروع الحكيم



نسمة الرحاب



انطلاق مشاريع التطوير الشامل بمدينة الرياض

اسم المشروع	المساحة	عدد الوحدات	تاريخ البدء	تاريخ الانتهاء	الجهة الممولة
مشروع الأمير الوليد بن طلال	1.5 مليون متر مربع	10,000 وحدة	2017	2020	قطاع خاص
مشروع الحكيم	1.2 مليون متر مربع	8,000 وحدة	2018	2021	قطاع خاص
مشروع نسمة الرحاب	1.0 مليون متر مربع	7,000 وحدة	2019	2022	قطاع خاص
مشروع القصر	0.8 مليون متر مربع	6,000 وحدة	2020	2023	قطاع خاص
مشروع درة الرياض	0.7 مليون متر مربع	5,000 وحدة	2021	2024	قطاع خاص
مشروع شمس الرياض	0.6 مليون متر مربع	4,000 وحدة	2022	2025	قطاع خاص
مشروع الأوند	0.5 مليون متر مربع	3,000 وحدة	2023	2026	قطاع خاص
مشروع أجمعان	0.4 مليون متر مربع	2,000 وحدة	2024	2027	قطاع خاص
مشروع الوصيل	0.3 مليون متر مربع	1,500 وحدة	2025	2028	قطاع خاص

اللاوند



أجمعان



الوصيل



Chapter 6

The Planning Side: Capturing Lost Opportunities and Maximizing their Investment

Reconsidering the Urban Planning Approach

Comprehensive Development of Master Plans Instead of Individualized Development

Telal Al-Riyadh Subdivision Plan in the Malqa District. 2001

The Beginnings of Comprehensive Urban Development

Al-Qasr Subdivision Plan in Al-Suwaidi Neighborhood. 2005

A New Approach and a Catalyst for Comprehensive Development

**The Acceptance and Proliferation of the Comprehensive Development
Approach in 2008**

**Nine Master plans and Establishing Partnerships with the Private
Sector**

The Planning Side: Capturing Lost Opportunities and Maximizing their Investment

At Riyadh Municipality, we became convinced that the city could no longer pursue an individualized urban planning and developmental approach particularly when it comes to residential neighborhoods. While described as being ‘planned’ such a designation was purely nominal. Most schemes only related to the sub-division of land with some individual planning taking place by citizens who had no experience in such matters.

Given the rapid growth in population, studies and research have shown that the real estate market requires development initiatives and a new approach to accommodate the increased demand for land and residential units. Further, future demand for residences was estimated at 4.5 million units until 2020. Therefore, it became imperative that all efforts are united, and parties coalesce to meet the urgent need for housing. This necessitates adopting a new approach which supports initiatives involving both the public and private sectors, to present new ideas and innovative solutions. Accordingly, there would be an effective contribution in residential development to enhance the quality of life in respective neighborhoods. This in turn, would motivate the private sector, and reduces the burden of the Municipality, as it would no longer be required to engage in executing, monitoring and administering the urban development of residential neighborhoods.

Reconsidering the Urban Planning Approach Comprehensive Development of Master Plans Instead of Individualized Development

I always believed that comprehensive planning, compared to individual development - which still unfortunately prevails in our urban psyche and city development - has a deeper impact and is more capable of solving problems. Those involved in urban planning are aware that it has resulted in numerous difficulties plaguing Cities and Municipalities. All will remember the steps

involved in developing land and how the process of transforming vacant areas into residential districts led to problems, or more accurately ‘disasters’. Beginning with the transfer of land ownership from the State to the developers or citizens, a process was set in motion that could no longer be described as ‘development’. Accordingly, investors and citizens had great difficulty in constructing residential units. There were numerous steps and requirements in order to pass through exhaustive bureaucratic hurdles. And, there was no unifying framework that would guide those involved in land development, and its transfer among owners over long and intermittent periods of time, without having been planned yet. These conditions would continue after planning had been completed. Thus construction would take place in a disorganized manner and the provision of infrastructure and utilities was quite slow. We kept hearing complaints from residents, whose neighborhoods have turned into noisy construction sites. These miserable conditions would continue for a long time and for many years to the extent that in some areas the completion of all construction activities would sometimes take close to 30 years. Individualized urban development has led to this state of affairs. We were thus stuck in a situation in which there was an absence of any kind of humane, environmental and urban consideration that would lead to a proper residential neighborhood.

Confronted with these troubling problems, the Municipality had to find a way to ‘break’ this routine and present an urban development framework that would be an alternative to individualized efforts. We turned towards the comprehensive urban development model which is being implemented in many cities and societies where disciplined urban development prevails.

Some may mistakenly think that moving from an individualized to a comprehensive urban development model is an easy matter. That is not true, especially since there was no administrative and technical infrastructure in place to deal with such a situation. Municipalities, for one, are not able to change regulations and conditions which remain solely in the hands of central authorities. Even if they managed to make such changes, and the conditions were favorable, the enforcement of the comprehensive plan would not have been possible. How could we have talked about land development and complex urban plans at a time when there was no presence of ‘real developers.’ The market was filled with hardworking real estate traders who rely on their limited knowledge and capacity. They tended to be preoccupied

with trading, subdividing and selling land for a quick profit. Visionaries on the other hand, those who have the necessary developmental knowledge and tools, were few and far between.

The field thus required a different kind of administrative and municipal structure. A kind that would be able to establish incentives for this type of development and motivate those who carry it out. We needed specialized development companies that were convinced of the feasibility of such an approach, and had the necessary experience to undertake comprehensive development contracts. Where would we find them? In short, we had to start from zero and struggle against the prevailing urban planning trend to which land owners have become accustomed. In essence, the aim was to build and establish an integrated and encouraging environment where the potential of comprehensive development plans is maximized and individual development efforts which drain development are minimized. There is a big difference between both approaches in every respect and their distinctive impact on the city.

At the Municipality, we sought to review and update planning aspects by taking steps aimed at enhancing new urban plans. For example, mosques were located along major thoroughfares and their areas were doubled in land-use plans so as to emphasize the Islamic identity of the city more prominently. We also sought to increase the area dedicated to small gardens with a possibility of combining them so that they may be merged into a larger park that would be a feature in every plan. We attempted to regulate planning proportions and the distribution of services and public utilities according to standardized planning measures. We encouraged the development of retail centers to replace commercial strips located along streets measuring 30m wide (or more). Furthermore, humanization aspects were underscored by landscaping streets, and paving pedestrian paths. In addition to the construction of Science Oases, municipal plazas, and public squares for the celebration of religious and national events.

The commercial neighborhoods located between King Fahd Road and Olaya Street, and extending south from Mecca Road up to King Salman Road in the north, were upgraded and street names were replaced by numbers. In addition, all east-west thoroughfares were alternatively designated as one-way. Humanization was taken into account through the provision of

continuous sidewalks, trees, landscaping, and lighting fixtures. Arrangements were made to provide sufficient on-street parking, and building owners were requested to open garages located underneath their buildings for public use in order to accommodate increased parking demand in the area.

The Municipality also aimed at motivating owners and developers to implement comprehensive residential plans and not leave it up to individuals. We were keen on encouraging such an approach, especially as it related to comprehensive upgrades because that requires understanding, conviction, desire and collaboration with the private sector. I used every opportunity in meetings, workshops and symposiums to propose this idea and insisted that it be given proper attention, while noting that as employees in the urban planning sector, we were mindful of the difficulties associated with individualized development. I pointed out the importance of adopting comprehensive planning, given that it offered solutions mitigating numerous problems from which our cities and neighborhoods, as well as our municipal employees, suffered. In the end, it is an approach where everyone is a winner: developers, residents and the city.

I was searching for a practical model and an experience that reflects our aims, and presents a comprehensive development approach, the outcomes and results of which would encourage what we were calling for. However, existing models were quite remote from such aims given their exceptionality and also because they benefited from numerous advantages. For example, the Diplomatic Quarter, and the housing projects executed for universities and the government, did not reflect the needs of urban development in Riyadh. What was provided to the aforementioned projects by way of financial and administrative support, as well as independence in decision making, was exceptional and did not fall within the rules and regulations of the Ministry of Municipal and Rural Affairs. As for the private sector, apart from investment in small sized residential projects mostly targeting leased properties, we did not find a model that is suitable.

Unfortunately, a handful of consultancies dominated and monopolized urban planning projects, thereby preventing any kind of serious competition. Their services were offered quickly and cheaply, given that they repeated concepts in a cut-and-paste process. Thus, offices with high professional standards would not dare compete with them, given that developers would

only consider time and cost factors. While we could not impose a system that favors a specific consultancy, the desire was to introduce new ideas and concepts that are in line with what we were calling for. We were able to achieve this by imposing a new rule on consultancies engaged in urban planning, namely, that they cannot be involved in more than three projects taking place at the same time.

Subsequently, we invited all consultancy firms to participate in planning projects. Numerous firms took up the invitation made possible by the Municipality and many collaborated with urban planners, architects, and staff at Saudi Universities. New ideas began to emerge, and competition led to the development of comprehensively planned modern residential neighborhoods. Hence, due to the encouragement and incentives offered, many got convinced, that comprehensive development is beneficial for all, and indeed more profitable than subdivisions which were falsely described as ‘urban planning’.

Telal Al-Riyadh Subdivision Plan in the Malqa District. 2001

The Beginnings of Comprehensive Urban Development

As noted, Arriyadh Development Company (Arriyadh lil Taameer) is an ambitious venture, supported by HRH Prince Salman bin Abdulaziz, Governor of Riyadh. Some business leaders and residents of Riyadh contributed to its establishment as a joint stock venture. Furthermore, plans were formed so that it can be an investment and development 'arm' for the city, in particular its downtown area, thus distinguishing the Company from competitors.

What concerns us in this Chapter is the Company's very first planning and development project, namely the Telal Al-Riyadh commercial and residential neighborhood. It was also a challenge for me, as I was 'wearing two hats,' in charge of both the Municipality and the Company. But there was also a 'third hat' given my educational and professional background as a practicing architect and planner. It was a rare opportunity to achieve a balance between theory and practice. On the one hand, it allowed the Municipality to have a role in executing what it called for, by implementing the principles of 'Comprehensive Urban Development' in residential districts, and prove that this is the preferred and more successful approach. On the other hand, members in the Company's Board of Directors had a long and sustained experience in Riyadh's real estate market, and knew precisely about issues pertaining to the supply and demand of residential and commercial land sales. Naturally, their choice was the common approach of land subdivisions. It was the option they have implemented several times, and was successful in their view with no risk and guaranteed returns. Given that all variables, including the time needed for planning, marketing and sales, were known and under control, both the Company and myself were convinced that this was the right option.

I did not wish to impose a new idea on a shareholding company whose owners included citizens, so I settled for going along with them in implementing what has been tried and tested. Nevertheless, I aimed to incorporate some elements that would raise the level and quality of the master plan based on my experience as both a Professor of Urban Planning and Mayor of Riyadh, which allowed me to review numerous residential master plans. I sought to reach a middle ground which we may call 'developing the old'. This was eventually implemented, and received a favorable reception from the Board

of Directors and the Company's proactive administration

At the Arriyadh Development Company, we were determined to build and develop a new model neighborhood, which would constitute a new phase in the master planning of residential areas and a marked difference from conventional approaches common at the time. The neighborhood took into account the religious and social values of Saudi society, and included all necessary services, utilities and leisure facilities. It avoided the negative aspects of other neighborhoods through a distinctive design and the extensive provision of services. Thus, a general conceptual framework was established while the details were left to the executive administration, who followed up on the project.

The model neighborhood of Telal al-Riyadh is located in the district of Malqa to the north of Riyadh, on an area approximating 1.1 million sqm. The Company aimed at building an 'ideal' and comprehensive neighborhood, in a contemporary and modern urban environment, with a good financial return, while preserving social relationships between residents. It would be distinguished by planning measures that were not available in other neighborhoods. This includes giving precedence to the movement of pedestrians, by encouraging walking and curtailing sources of pollution and noise. To that end internal roads were curved, which reduced the speed of cars. And, the overall length of roads was lowered, thus minimizing the overall cost of infrastructure for the neighborhood. The development balanced between construction and ongoing costs, such as maintenance and operation. In addition, it gave due regard to coordinating the location of services and public utilities with surrounding neighborhoods so as to achieve optimal use.

The site had some distinctive topographical features such as small plateaus and hills. To the south of the development, a natural rainwater drain, at a lower neighborhood elevation, was planned as a public park and an outlet for residents on an area of 100,000 sq.m. The park also contributed to raising the value of surrounding property. According to the master plan the neighborhood was divided into four semi-gated compounds to raise the sense of belonging among residents, as well as achieving the highest degree of privacy and calm. Commercial activities were concentrated in four specific sites located at the edges of the neighborhood so as to be further developed as comprehensive commercial centers.

As for public utilities, the master plan specified that they should be located alongside the neighborhood's major thoroughfares, and were connected with internal secondary streets so as to prevent traffic congestion and ensure that surrounding neighborhoods benefit from them. The public utilities included four small mosques distributed across the edges of the neighborhood, a large congregational mosque, two educational facilities, a public park, and a recreational social club. The company developed the neighborhood's infrastructure including electricity, water, telecommunication, pavement, lighting of roads, irrigation and sewage networks. This was followed by an attempt to develop some residential, commercial and service sites, possibly by collaborating with major investors and developers in the real estate sector. Alternatively, plots could be sold to individuals who can then develop them based on their specific requirements.

According to real estate sources in Riyadh, launching of Telal al-Riyadh significantly improved the quality of surrounding neighborhoods. Furthermore, one of the advantages of the neighborhood is that the Company did not withdraw once land plots were sold. Rather, it continued to support the venture, and showed interest in forming a Homeowners Association which would supervise and monitor the needs of the neighborhood and its residents. The Association constructed an entrance and exit gate which guaranteed the privacy and security of residents. The structure also helped other concerned authorities to provide a suitable level of security for the neighborhood.

Telal al-Riyadh offered a different model which did not realize the optimal model we aimed for in residential neighborhood planning. However, it stood in marked contrast to other land subdivision ventures. To wit, 10% of its total area was allocated to the provision of a public park in the middle of the district, representing an alternative to small and scattered gardens; retail services were concentrated in dedicated centers rather than being spread along commercial strips; all infrastructure and services were constructed prior to selling any land plots; and finally, the Company continued to assist residents by offering support for forming a Homeowners Association.

Al-Qasr Subdivision Plan in Al-Suwaidi Neighborhood. 2005

A New Approach and a Catalyst for Comprehensive Development

The Dar al-Arkan Company proposed developing one of the sites that it owns in al-Suwaidi neighborhood which is a vital part of the city, located to the south of downtown Riyadh, alongside King Fahd road, with an area exceeding 800 thousand sqm and a gross built-up area of 1.2 million sqm. It seemed the Company had sufficient experience in real estate development, with a real desire to construct high quality residential neighborhoods.

The Municipality negotiated with Dar al-Arkan to discuss the feasibility of a project which was named al-Qasr. Our aim was that it should be based on the principles of ‘Comprehensive Urban Development’. Accordingly, we began setting the foundation for a mutually beneficial partnership with tangible benefits. The matter proceeded smoothly and both parties agreed that there were numerous advantages, which were not just financial but also included aspects that cannot be quantified. Such as the environmental impact and a general improvement in the quality of the urban environment, following from an implementation of comprehensive development. Ultimately, all of this resulted in the satisfaction and happiness of residents. Moreover, we took the lead in engaging with the private sector by calling for the implementation of ideas proposed by the Municipality. Further, adopting the initiative became a way by which we could convince officials at other companies to emulate the model.

In Al-Qasr, the solution was through an agreement between the Municipality and the developer stipulating that the latter develop comprehensively while bearing the burden of providing the infrastructure and utility networks to each plot. In addition to ensuring the availability of adequate plots for government use, administrative services, social spaces, public parks, as well as paving roads and sidewalks to the highest standards.

The Municipality negotiated with the developer a win-win deal, whereby the Municipality offered profitable incentives in exchange for a comprehensive development. This was not a binding model for the Company. However, the project was located in the ‘First Urban Zone’ which does not require any provision of services – not even paving of roads, lighting and electricity. Subsequently, the allocation of 23% of the total project area to

services and public utilities, and subdivisions on paper leading to the sale and delivery process of plots to owners, was sufficient.

At the Municipality, a committee was formed to study the project. Several meetings were held with company representatives in order to reach an agreement that satisfies both parties. The Municipality did not have any negotiation leverage, since the planning system was officially certified, and the building regulations could not be bypassed. Land owners viewed those regulations as a given, and followed them when planning their plots. They preferred what they were accustomed to, and avoided any attempt to renew and develop regulations. However, the Municipality placed its bets on a belief that it was sincere in developing a distinguished project and a conviction that ‘Comprehensive Urban Development’ will ultimately result in increased financial gains and consolidate the Company’s reputation in development.

The committee concluded its deliberations with Dar al-Arkan by establishing general development regulations which all parties agreed on. The Municipality was keen on ensuring that development is common and absolute, meaning that no exceptions were made for a specific developer. Instead, the committee transformed these agreements into a conditional worksheet which stipulates clear rules, applicable to any other developer wishing to engage in comprehensive development. In many ways, we benefited quite significantly from examining the new master plans, and the land use visions presented by the developer, which can be summarized as follows:

1. Any site chosen for subdivisions must not have been previously planned and its area cannot be less than 750 thousand sqm.
2. The area allocated for public utilities and services cannot be less than 53% of the total site area as specified by the landownership deed (Schools, Mosques, Parks, Streets and Sidewalks). This measure follows planning guidelines issued by Riyadh Municipality. The specific allocation should at a minimum be as follows: 11% for Utilities (located on commercial streets); 28% for Streets and Sidewalks; 2% for Mosques; 4% for Schools; and 8% for Parks and Open Spaces.

3. Infrastructure development and construction should be done according to the highest quality of standards and use of appropriate materials. This includes parks, sidewalks, afforestation, street lighting, paving, electricity, telecommunications, sewerage, and drainage of flood water in the entire development including side roads. Water, sewerage, electricity and telephone cables connected to respective plots should be clearly marked in the master plan.
4. Pedestrian sidewalks need to be paved, supplied with trees, and equipped with appropriate lighting. Minimum width is 10m and total length cannot be less than 250m. Their design and construction must follow the highest standards and use the most advanced materials.
5. Guaranteeing that neighboring plots are not subject to any harm due to suggested height of buildings. This is achieved by having a sufficient distance between plots which are zoned to accommodate multistory buildings.
6. Buildings in the development should not exceed four stories. A fifth floor can be added on the condition that the ground floor is used for parking. Built structures in this space cannot exceed more than 20% of the total plot area. This percentage is to be only used for entryways and services. Parking is provided according to established regulations.
7. Overall, any additional built-up areas resulting from an increase in building height should not exceed 10% of the built-up area allowable in conventional master plans.

An agreement was thus reached and signed between Riyadh Municipality and the Dar al-Arkan Company, signaling acceptance of the regulations. The Municipality certified the preliminary master plan, and the company commenced construction. In the beginning, they sought to implement the plan without constructing residential units, settling for merely selling plots of land with a construction permit. However, a subsequent phase convinced them to

build all residential units in order to maintain the integrity of the constructed infrastructure. The company realized that individualized development will not take into account regulations pertaining to the maintenance and preservation of supplied services.

The planning of the project was carefully balanced so that overall residential density did not exceed 120 persons/hectare. The total built area allocated to the developer did not exceed 10% from what has been typically the norm. What distinguished the project from other existing projects is that it was able to save more than 50% of the total site area, while no more than a third was required. The rest was used to increase amenities, services, parks, and investment sites.

We were able to realize a model and establish an initiative that saved the government considerable expenses, allowed owners not to waste precious time, and alleviated the suffering of citizens. Previously, delays in the completion of services could take up to several years but the new system mitigated this through rapid execution. One of the immediate financial effects benefiting the Municipality is that it transferred the burden and cost of providing services and infrastructure, estimated at 200 million Riyal, from the public to the private sector.

This type of master plan allowed us to move beyond the issue of cost which would have been normally borne by the city administration. Owners were not typically required to pay any compensation for a fully developed residential and commercial scheme. Their expenses were only limited to the payment of fees to the planning office. Once the scheme had been completed, which merely comprised land subdivisions, empty plots were sold to citizens. At that point, the relationship between the owner and the land ends, and the Municipality starts to suffer from the scheme's ramifications. Those who have purchased land continue to submit numerous requests for surveys, the endorsement of architectural schemes for building on the plot, followed by monitoring construction to ensure adherence to rules and regulations and the absence of violations, not to mention the extension of services to the development. It is a vicious cycle that consumed both citizens and the Municipality. Accordingly, problems kept increasing, to the extent that the number of violations and requests for review were correlated to the number of plots in the scheme. Thus, a lack of trust, and a resultant rift, developed between stakeholders. Another issue is that the Municipality had to assume

responsibility for the continuous accumulation of these problems. All these dilemmas necessitated a replacement with an alternative system.

The al-Qasr master plan was prepared according to the principles of 'Comprehensive Urban Development.' It included 2,797 apartments, 254 villas, a commercial building dedicated to offices with a leasable area measuring 19,000 sqm. Retail outlets were located along major streets covering a total area of 63,000 sqm. In addition, there were 6 mosques, a large park, and dedicated sites for schools, governmental services, as well as a major retail center (Al-Qasr Mall), spreading over an area of 65,000 sqm, constructed to serve residents of the neighborhood and surrounding areas. The project was distinguished by a unique design, the full integration of services, and a socially vibrant, healthy and safe residential environment. It fostered a strong sense of community and belonging. Streets were filled with different commercial activities which made shopping a pleasurable and leisurely affair. Coffee shops attracted customers, and constituted a source of employment, as well as an investment opportunity for the project.

In implementing the project, the developer provided all the necessary infrastructure, extended networks to individual plots, allocated 53% of the total area, or 1.2 million sqm., to governmental services and utilities of the highest standards. The project featured numerous gardens and sidewalks which had an average width of 12m and a total length of 15km. They were provided with palm trees, comfortable seating, large plazas, an area for administrative services and a 970m long reinforced concrete tunnel traversing the project.

The developer restored the Suwaidi Park which is located to the west of the project. Its enclosing walls were replaced with a fence that permits visibility, gives a sense of openness and allows for integration between the large neighboring plaza and the park. Thus, rather than being located inside the neighborhood and not seen by residents, it is now fully integrated with its surroundings. A large celebration and exhibition plaza was constructed on an area totaling 13 thousand sqm. It was paved, planted with trees, landscaped and provided with lighting. A part of Wadi Hanifa located alongside the edge of the project was developed by adding a parallel street at a width of 6 meters. It has since become an outlet for residents. The project also had a thoroughfare equivalent to Prince Mohamed bin Abdulaziz street (Tahlia) with a width of 40m; pedestrian sidewalks on both sides were 12m wide.

Residents in surrounding neighborhoods benefited from these services, especially given the availability of urban parks and retail centers. Upon completion, the administrative center branch, located on an area of 80,000 sqm, will facilitate citizens' dealings with governmental departments. It is one of fifteen administrative centers in the city, serving 11 neighborhoods with an urban domain reaching 85 sq km. The center will contain numerous services in dedicated buildings. They include: a sub-municipality, a traffic bureau, branches for both the Ministry of Environment, Water and Agriculture and the Saudi Electricity Company, a postal office; a Saudi Telecom Office; a civil defense department; a notary public; a police station; a health center; and bank branches.

Completing the entire project at once ensured that both the Company and the Municipality left a positive impression. It also supported the idea of 'Comprehensive Development' as a new framework that offers a model for concerned parties, and provides an opportunity for further evaluation, study and development. The cost of work provided by the developer amounted to 200 million Riyals, which would have been paid by the Municipality if it were to implement these services relying on its own cadres. Implementation took place in a short time and according to the highest standards, thus guaranteeing that there was no impact from ongoing work in the site. Further contributing to the swiftness of construction is the developer's comprehensive involvement in both planning and implementation.

The Municipality further encouraged the developer by guaranteeing the addition of 10% to the allowable built-up area as if his scheme was the same as the old arrangement (which was a 33%). Residential density was adjusted to be relatively low and follows standards implemented in the Kingdom while allowing an increase in building height not exceeding 4 stories. The provision of public spaces, utilities and general services further improved the quality of the master plan. The developer was also able to increase the value of the project given that the entire neighborhood was planned and constructed in a comprehensive manner and according to high standards.

Based on the above, the Municipality affirmed its willingness and desire to be sufficiently flexible in encouraging proposals of new project ideas and concepts, given that there are other options aside from horizontal expansion that would redistribute building density. Al-Qasr is an example of a project that illustrates how both parties can take advantage from an agreement

that allows for raising building heights in some areas in order to secure additional sites for services that would benefit both the city and the investor. Furthermore, the Municipality felt that this approach can become a model for similar developments which could take place in the future by partnering with interested investors. These visions will lead to a progressive city, and ensure that it does not remain confined within a conventional and repetitive framework. It is an expanded paradigm that serves both investors and the society at large.

Together with the private sector, the Municipality aimed at resolving existing problems and adjusting existing solutions so that they become more effective. What I had previously alluded to regarding modifying some regulations, is an example of adjusting existing solutions. The Municipality was constantly on the lookout for innovative and new approaches. It also envisioned a future in which the sector would be in possession of various comprehensive master plans which differ from existing and traditional schemes. The specification of services and utilities would be comprehensive so that they are not just restricted to Mosques, Parks and Schools as is the case today. Instead they would include wedding halls, gas stations, vocational schools and health clinics. Certifying a plan thus implies not just endorsing residential and commercial structures, but also suggests that there is a permission to develop all these other facilities and amenities.

The Municipality sought to attain a development model, applicable to all master plans, which would significantly minimize individual improvisations and mistakes. Furthermore, it was important to keep up with societal needs and understand how they change over time. Adopting small residential subdivisions was among those needs which the Municipality felt had to be considered in the development of new master plans. This would accommodate the housing requirements of upcoming generations and ensure the provision of a private home – in terms of design, maintenance and construction at the lowest cost. As we indicated numerous times, the Municipality was steadfast in encouraging the formation of partnerships between the public and private sector which could be done either by participating in the establishment and management of projects, or contributing towards the removal of obstacles in an atmosphere of mutual trust whereby both parties are acting in the public interest.

The Acceptance and Proliferation of the Comprehensive Development Approach in 2008

Nine Master plans and Establishing Partnerships with the Private Sector

In 2008, the Municipality was able to present a number of comprehensive development projects in the media, which were in varying phases of completion. They comprised nine ventures, with a total combined area of 53 million sqm, and were located in different sites throughout Riyadh. Constructed by the private sector, they provided more than 105 thousand residential units, at a cost estimated to exceed 131 billion Riyals.

This estimate was highlighted in numerous media outlets which prompted an inquiry from the Finance Minister. He was curious about how we were able to achieve this? And, why would an investor choose to finance a service sector that usually falls under the purview of the government? Furthermore, what were the developer's costs in constructing the infrastructure for al-Qasr development? My response to His Excellency was that the Company did not take on this project as a favor to the Municipality, or to make a charitable contribution by providing infrastructure, which costs almost 200 million Riyals. Nor were they forced to do so. Indeed, they accepted the process quite willingly as they saw that it would be to their advantage. The Municipality in turn has chosen to strengthen its dialogue and engagement while displaying sufficient flexibility. Accordingly, options were presented which convinced the Company that what they were about to embark on will benefit them, as well as the city and its residents. On top of this, the financial return of these projects exceeded what they used to obtain from previous ventures.

There is no doubt that the implementation of the al-Qasr master plan, and the cooperation between the Municipality and developers to bring the first comprehensive development plan to life, had a positive impact on the real estate market. It was a 'positive spark' that convinced some developers to implement comprehensive development. Moreover, it requires courage to be fully adopted if it is to be viewed as an innovative byproduct of the new relationship between developers and Riyadh Municipality. There was also a growing impression that the Municipality is pushing for new ideas to develop residential neighborhoods in Riyadh, in a manner that would benefit all concerned parties.

Procedures implemented in al-Qasr master plan were applicable to all developers requesting comprehensive development, while taking into consideration varying conditions such as areas, topography, etc. At the same time, the Municipality was sufficiently flexible in its interactions with developers without compromising any basic urban planning principles. It accomplished a lot by adopting a comprehensive development approach, and was also aware that developers had certain requests to facilitate their adoption of that approach. First was phasing implementation, given that construction costs were considerably high. At the time regulations pertaining to off-plan sales had not yet been completed by agencies involved in these matters. Thus, we were aware that developers were in dire need to subdivide their land in order to obtain financing from banks, or to sell part of their property to other developers following completion of planning and provision of services. They in turn would engage in construction and initiate a marketing campaign. There were other requests necessitating a measured approach which seeks to realize the efforts of, and provide support for, developers. Encouraging such a direction was of particular importance, given that it benefited the Municipality and city residents. Much to its credit, the comprehensive development approach has provided the Municipality with the following opportunities:

1. The Municipality did not just reduce the number of visitors and the frequency of their visits to its offices, but also reduced, or almost eliminated, violations of individual developments.
2. Assigning a larger percentage of the master plan for services and utilities allowed the Municipality to allocate a larger area of the development for residential neighborhood use.
3. Transferring the responsibility for providing, administering and financing services from the public to the private sector, typically provided by municipalities, such as asphaltting, paving, lighting, afforestation, sewerage, water, electricity, and telecommunications.
4. The Municipality was able to reduce the number of its technical and administrative workforce. Accordingly, this has contributed towards an enhanced efficiency of its operations.

5. Comprehensive development directly resulted in improving the urban quality of residential neighborhoods, given that residents found all the services they needed on the first day of moving into their new homes.

6. Companies involved in the design, development and implementation of comprehensive development projects make a significant contribution towards enhancing the quality of the construction industry. Their accumulated experience, awareness of latest advances, and technical and professional expertise cannot be compared to the efforts of inexperienced individuals.

The Municipality was ready and prepared to encourage developers and landowners to implement the 'Comprehensive Urban Development Plan'. To that end the al-Qasr master plan was a successfully executed and vibrant urban model. And, we were fortunate to receive increased requests from landowners to develop their properties comprehensively. Developers started competing with each other to introduce new and innovative planning concepts, and to emulate best worldwide practices in design and residential development. To that end local expertise were recruited from universities and consultancy offices, in addition to attracting international specialists and experts. Endorsing a number of comprehensive development projects was the clear outcome. They were all quite distinctive in their design, planning and features, including a respect for the site's topography and terrain which were incorporated as an attractive feature.

All nine Comprehensive Development Projects, announced by Riyadh Municipality in 2008, were executed by the private sector in different locations throughout Riyadh, as follows:

1. The Dorrat Al-Riyadh development to the north of Riyadh, implemented by the Dalla Company, covering an area of 3 million sqm.
2. The Shams Al-Riyadh development in al-Malqa on King Fahd road north-west of Riyadh by al-Arkan Company, on a total area exceeding 5 million sqm.

3. Al-Wasil project, by Dubai Limitless, located on King Khaled road, west of Riyadh, on an area of approximately 14 million sqm.

4. The Ajamkan development, by al-Taamer and al-Shoa'ala companies in Khozama north-west of Riyadh, on an area of 1.7 million sqm.

5. Al-Lawanda development by Ta'ameer al-Riyadh Company in Al-Malqa, is located along King Khaled Road north-west of Riyadh on an area of 2.3 million sqm.

6. Nasmal al-Rahab, by Al-Ola Company east of Riyadh, on an area reaching 3 million sqm.

7. One of al-Hukair's subsidiary companies is implementing the al-Hakir development, north-west of Riyadh. The total area of the project is 3 million sqm.

8. One of the companies affiliated with Prince al-Walid bin Talal is executing the Prince al-Walid bin Talal development. Located to the east of Riyadh it occupies an area of 20 million sqm

I did not have an opportunity to follow-up on the construction of these projects, with the exception of the al-Qasr development which had been completed by the time my Mayoralty ended in mid-2011. At the time, the sale and rental of residential and commercial units had begun. This also took place in the Dur'rat al-Riyadh development. With respect to Shams al-Riyadh, the master plan had been completed and received preliminary approval; accordingly, the developer began constructing the necessary infrastructure pending final certification. As for al-Wasil, it was approved on the condition that the developer will commence construction of the infrastructure. However, it seems that he changed his developmental approach. As was noted at the time, ownership of half of the property was transferred to another developer, the al-Aqariy'ya Company, which then began re-planning the project. The Ajamkan development received approval for its preliminary plan.

Subsequently, the developer began constructing the infrastructure and started the sale of land plots. As for al-Lawanda, Nasmal al-Rahab, al-Hakir, and Prince al-Walid bin Talal, they all received preliminary approvals. However, respective developers had yet to begin laying out the necessary infrastructure.

I continue to believe that comprehensive development is the best solution for our cities. Making it obligatory facilitates a new approach in the development of residential neighborhoods which are planned based on proper standards with fully integrated services and utilities. In such an environment, residents benefit from a peaceful atmosphere which enables a happy and comfortable life. Service departments are in turn able to dedicate their efforts towards supervision and strategic planning, rather than being inundated and distracted by following-up on daily urban development issues. In summary, comprehensive urban development should not be an option, but a must for anyone owning an empty land which he wishes to subdivide and sell. Our cities can no longer bear the burden of subdivisions which are sold to thousands of individuals, without being properly serviced, leaving the responsibility of providing services and follow up to service authorities.



Chapter 7

Issues of Property Ownership and Land Grants

- Land Ownership and Impediments for Development**
- Governmental Land Grants: Feasible Alternatives**

Issues of Property Ownership and Land Grants

Land Ownership and Impediments for Development

Municipalities in numerous cities have faced and continue to face many issues and problems concerning property ownership whether it is through infringement, overlap or duplication of land titles. A detailed elaboration on the subject would perhaps require another book; however, it is necessary to deal with this even briefly to illustrate how municipalities take on numerous responsibilities without receiving the necessary financial and technical support. Fortunately, Riyadh Municipality had the support of HRH the Governor, Prince Salman bin Abdulaziz, a strong and distinguished administrative personality – who facilitated the relative emancipation from an administrative municipal routine, and encouraged the ability to practice, or come close to, what we may call the ‘spirit of local governance’.

At the Municipality, we were faced with hundreds of issues concerning land ownership. Each was unique and necessitated different procedures to be resolved appropriately. A few have acquired added importance given the large number of involved citizens who suffered from their negative repercussions. Some of these issues were quite significant and will be remembered for a long time by citizens, as well as officials from the Governorate and the Municipality. What is striking is that Riyadh Municipality was never responsible for the emergence of those issues. However, it found itself in a position where it had to quickly assume responsibility and work hard to find solutions. For example, the issue of lands north of Riyadh (Qayran) involved property estimated at the time to have a value of 30 to 40 million Riyals. Resolution required technical, administrative, legal and legislative capacities – just to name a few – which the Municipality lacked. And even if they were available, the daily municipal workload was too large to make room for any additional tasks. The Municipality did not have the necessary financial resources to commission external consultants, and was thus forced to resolve the matter based on its own efforts and administrative capacities which were originally quite limited. However, staff enthusiasm remained high, encouraged by the support of HRH the Governor of Riyadh. His call for exerting additional effort and utilizing existing capacities was heeded, even if it came at the expense of delaying some work.

Overall, the Municipality would not have been able to resolve many of these land affairs, if it weren't for the assertive positions of the Governor and his continuous support for, and protection of, the rights of citizens. The Municipality was able, during that time, to resolve numerous problems by laying claim to lands where ownership was established through a Royal Decree. This included properties located in Sarhiya, al-Mesfat, southern Riyadh, al-Manakh neighborhood near the gypsum factory, and Qiran. Those cases were successfully closed to the satisfaction of all relevant parties.

Those cases were quite important given the large area of lands, the involvement of multiple owners, or other complications. All were approved by Royal Decrees -- based on what was forwarded to HH Prince Salman bin Abdulaziz -- who allowed the Municipality to claim the land, develop master plans, as well as find appropriate solutions guaranteeing the distribution of property among owners. A common thread was that none of those lands had any certified subdivision scheme. And the bigger problem was that most of the plots were sold according to deeds and titles which specified an area larger than the actual plots.

The al-Masfat land, for example, was issued a Royal Decree in 1997, transferring ownership to the Municipality. The site is located on the Kharj Highway, next to the refinery, on an area approximating 7 million sqm. After excluding overlapping property belonging to the refinery and others, the remaining total area available for subdivision was close to 5.27 million sqm. Following a scheme prepared by the Municipality, the number of available plots was 700, with an overall area of 3.6 million sqm.

In 2000, the Municipality was able to resolve the affair in a way that satisfied all parties. It turned out the sold area, according to certified deeds, exceeded the actual planned site. Issued papers and titles were not accepted as they could not be verified and their legitimacy was in doubt. Thus, no further certifications were issued. The Municipality prepared a special plan for the site that excluded all overlapping property. As per the plan, the actual available area was 76% of the original. A proposal was made that those who had property deeds for plots of 600 sqm or less would receive their full allocation. This constituted a total area of 3 million sqm. As for those owning larger plots, the compensation ratio was 80% of the originally assigned area, given the discrepancy in the overall estimate.

Similarly, the land of al-Sarhiya located in al-Dariya and belonging to HRH Princess Sara bint Abdullah bin Faisal bin Turki, was subject to a Royal Decree in 1997, which stipulated the formation of a committee to study the problem and assigning the Municipality as a guardian for the property. The late Princess, acting as a philanthropist, assigned to some members of her family as well as a large number of low-income citizens, plots of land with varying sizes. At the time, there were no subdivision. Instead, allocation was merely based on areas, without specifying clear dimensions or locations.

All the deeds, documents and plans concerning these lands were carefully examined. We found that the overall site area was not sufficient for all those who owned land deeds. In addition, planning of the site only involved subdivisions comprised of narrow roads and land plots, with no utilities or services. Accordingly, the Municipality re-planned the land and prepared a new subdivision which contained utilities and a properly studied street layout. The Municipality suggested that priority be given to owners of small plots with an area of 400 sqm or less, so that they may be granted the full area. Owners of larger plots have a set percentage deducted from their overall area, and are compensated by improving the location of their sites. In 1999, the Municipality received approval from HRH the Governor of Riyadh for its proposals and the matter was resolved to the mutual satisfaction of all parties.

In this chapter, we will review one of the most prominent land cases in Riyadh which was important due to its complicated nature, large size and distinctive location, and the involvement of many relevant parties. Located to the north of Riyadh, the site is known as the Qayran lands.

The total land area, based on deeds indicated previously, has by far exceeded the actual size of what actually existed. Sales took place without a master plan and did not even follow a certified subdivision scheme. On top of that, there was no proper surveying of existing plots so that correct deductions could be applied to the original bond. The situation was unusual and showed the audacity of both buyers and sellers, as well as the negligence of concerned authorities who should have been involved more directly in controlling and monitoring these matters.

Following a study of the case by a committee, land was assigned among

buyers based on on a percentage of their shares. Accordingly, they were granted 42% of the area set in their land deeds. It was also pointed out to owners that land for public utilities did not cause the subtraction of any area from their plots, and that what took place previously was based on being allocated plots which were larger than what actually existed on the ground.

Public utilities included a cemetery, located on a site measuring 1 million sqm. Parks comprised a total area of 2 million sqm. Provisions were made to exclude the setbacks of the Aramco oil pipelines, as well as land belonging to the Salbukh Water Station. A consultancy office was commissioned to develop a street network and establish an appropriate plot subdivision scheme. Subsequently, the committee – which was formed, based on a directive from HRH the Governor of Riyadh, and included representatives from the Governorate, the Municipality of Riyadh, and the Ministry of Justice – began receiving land deeds from Northern Riyadh at its headquarters until May 11, 2011. As for paper sales, those were already settled through a Royal Decree which excluded them from the process. Holders of such documents were asked to refer back to respective sellers, especially since it is not possible to verify the credibility of such sales, which could have been conducted retroactively without any legal authorization.

In a final step, the committee confirmed that the issued deeds match official records. This also involved making sure that the deed is still in the owner's name and has not been transferred to someone else. Accordingly, each deed was assigned a dedicated area based on the established shares ratio. An announcement was made in 2012, following a directive from HRH Prince Sattam bin Abdulaziz, Deputy Governor of Riyadh at the time, informing the Royal Court that the committee has completed its tasks and requesting that it can begin the handover of land to respective owners.

No doubt the Qayran land case had negative repercussions on the overall urban development and growth of northern Riyadh, casting a long shadow on its urban economy, and generally questioning the trustworthiness of issued land deeds in the area. However, there was a breakthrough following the resolution of the matter. Landowners were thus able to benefit from their property by using it for investment or housing. It also resulted in an increase in areas dedicated to commercial and residential land uses which contributed to balancing supply and demand in the real estate market. Finally, by restoring

confidence in the plans of Northern Riyadh, obstacles were removed which allowed us to continue laying out public utility networks and amenities which had been delayed due to all of the problematic land ownership issues.

As I noted previously, those land cases were not the only ones in Riyadh. There were many others which the Municipality was able to resolve through re-planning and distributing of plots to respective owners. All of them expressed gratitude to the Municipality for resolving their problems. There were no complaints or grudges from anyone. On the contrary, having waited for such a long time, they were thankful and appreciative of the Leadership for putting an end to the matter.

It is crucial here to appreciate the efforts, exerted at all levels, by HRH Prince Salman bin Abdulaziz, Governor of Riyadh, and his Deputy, HRH Prince Sattam bin Abdulaziz who followed up on many details. They protected those lands, and prevented transgressions from some crooks, aggressors and fraudsters who counterfeited deeds, by standing strongly and bravely, in the face of these illegitimate and illegal acquisition attempts.

Governmental Land Grants: Feasible Alternatives

The Government took it upon itself, and since its foundation, to adopt the principle of redistributing wealth. To that end it helped citizens and their families in their quest for appropriate housing by supporting the distribution of land, building well-planned residential subdivisions, and providing necessary services. Such measures enabled many Saudis to build their own house. What many do not know though, is that the vast majority of Riyadh's urban area is comprised of planned governmental subdivisions. Plots were sold at nominal prices until the early 1970s, which was followed by what has been called the 'boom' or 'abundance' period, when land was given away for free.

Municipalities in general, and Riyadh Municipality in particular, suffered from the Land Grant Program. The situation was quite difficult to imagine as there was hardly any land available which could be utilized for residential purposes, in fact it was very rare, especially if it needed to be supplied with, or located in close proximity to, services over the next 10 or 15 years. The Municipality was thus forced to implement some of these grants in remote locations which were not suitable for residential use. In addition, there were a large number of individuals who benefited from Royal Decrees and, in many instances these were issued on an exceptional basis. In 2006, according to statistics prepared by Riyadh Municipality, there were more than 538,657 of these grants, representing 31.65% of what has been allocated throughout the Kingdom.

Hardly a year passed, since I assumed my duties as Mayor of Riyadh in 1997, without directing a letter to HE the Minister of Municipal and Rural Affairs or his Deputy, urging them to reconsider the Land Grant Program. It needed to be re-evaluated to guarantee that it does not turn into a program that drains the land assets of the city, and to ensure that it does not become an administrative and financial burden. What is the value of a grant program where citizens cannot obtain land suitable for constructing a residence? What is the value of a grant program that exacerbates urban growth so that it becomes uncontrollable and leads to endless sprawl? What is the value of a grant program that allocates considerable financial resources to extend utilities and services but, following the transfer of ownership from deserving recipients, only benefits land brokers and merchants? What is the value of a grant program that takes up a lot of time and effort by the Municipality and its employees, and yet has negative repercussions among many? Indeed, what is

the value of a grant program that contributes to, and increases, financial and administrative corruption in the municipal sector?

The Land Grant Program is both noble and patriotic, given that citizens have the right to possess land or an appropriate residence. And as we noted, it is one of many channels of distributing wealth to deserving citizens. However, if left without development or reorganization to cope with changing social, economic and urban circumstances, the program may be unintentionally transformed to one that not only drains national wealth but also causes significant harm and negative side effects in the present and the future.

In addition to submitting a report, as previously noted, to HE the Minister of Municipal and Rural Affairs in 2003 about the Land Grant Program (which will be briefly reviewed), I also put forward letters whose number is equivalent to the years that I spent at the Municipality, if not more. There were also numerous meetings discussing these issues and an exchange of messages between specialized departments.

The beginning was a letter directed to HE the Minister in 1999 based on the responsibility of the Municipality regarding the identification of citizens needs and expressing keenness to execute leadership directives to facilitate citizen affairs. The Municipality did its best to provide land that is suitable for constructing housing and planned according to standards that take into consideration different circumstances. Accordingly, Royal orders pertaining to the issuance of land grants to citizens, were promptly implemented on the ground and plots were issued to citizens.

The letter clarified that the Municipality began to sense a decrease in the availability of land suitable for grants. According to 1998 statistical records, the number of new grants reported to the Municipality (only the city of Riyadh and not the region) constituted 27% of all grants reported to municipalities throughout the Kingdom. The number of executed grants reached 9,559, representing 38.2 % of all grants in Saudi Arabia.

Given the yearly increase in the number of issued grants, and taking into consideration a decrease in the availability of suitable land, the Municipality pointed out the importance of reconsidering the land grant process so that it may achieve the State's objectives to care for its citizens, provide appropriate

housing, and avoid obstacles facing the process. Moreover, the amount of available land was not commensurate with the number of people on the waiting list, and the location of these lands did not reflect the needs and ambitions of citizens, especially those who have a desire to build a private home. Lastly, all available subdivisions were not adequately prepared for the construction of residences due to the absence of essential services.

All the above illustrates that land grants did not achieve the program's desired objectives. Instead, they became a source of administrative confusion, a heavy burden and embarrassment for the Municipality which was trying to find land and convince citizens of its suitability. There was also an increase in cost given the need to provide services and utilities necessary for the construction of homes. In addition, the city expanded rapidly and the urban sprawl violated the general inclination to prevent migration to urban centers, and limit the increase in the geographic urban boundaries of large cities at the expense of small and medium sized towns. Accordingly, the Municipality offered a few suggestions which it believed would help overcome some of these obstacles:

First: Encourage the private sector to invest in the provision of services and utilities in the grant scheme, following one of two options:

- a- Some granted lands could be rented out to the private sector at a nominal rate and on a long-term basis, in exchange for the provision of required services and facilities.
- b- Establishing a shareholding company with the Municipality as one of the founders. It would take on the task of delivering all needed services and utilities in exchange for granting it the privilege of investing in some governmental land dedicated for such purposes.

Second: Directing grants to mid-size and small cities as an alternative to larger urban centers, which would increase the range of issued grants in Riyadh to encompass the entire governorate rather than just the city. It would also facilitate the procedures for transferring grants within the entire region of Riyadh, so as to ease some of the pressure on the city.

The Municipality made it clear that the main objective behind these proposals is a reconfiguration and renewal of the existing grants program so that it contributes towards achieving the aims of the State. The aims are to provide serviced land to citizens, consolidate developments in mid-sized and small cities, limit the expansion of large urban centers, relieve the state and citizens from carrying the burden of constructing utilities and general services, and encourage private sector investment. These measures would ensure the development of residential neighborhoods that are fully integrated with services. The Land Grant Program could then be implemented and deserving residents would be able to construct appropriately sized homes.

A supplementary letter was directed to HRH the Minister in 2000, reiterating the Municipality's position as per the above noted suggested measures:

First: The current situation has resulted in a continuation of negative repercussions and suffering, represented by the following:

- 1- A large part of daily transactions taking place at the Municipality, estimated at 60%, concern the grants program, which strongly impacts the performance of various municipal departments.
- 2- Sites available for grants are located outside the urban boundary at a distance from services. This results in rapid urban sprawl which does not support the government's aim in limiting the migration to major urban centers. In addition, the cost of extending services to these grant subdivisions, given their remoteness, is very high.
- 3- Granted lands are not utilized for the intended purpose of housing because of their remoteness. As a result, they are usually sold cheaply to speculators.

Second: There is great urgency in reconsidering procedures related to the grants program to keep pace with new conditions resulting from increased migration to major urban centers and their geographical expansion, as well as realizing the government's general policy of developing small and mid-sized towns in line with the National Urban Strategy. Accordingly, the executive proposals put forward by the Municipality included the following:

- 1- A complete suspension of the Land Grant Program in all major cities. Instead, grants that had not been assigned yet should be directed towards secondary cities surrounding large urban centers. For instance, grants issued for Riyadh, should be redirected to small towns in the governorate of Riyadh.
- 2- Large sized plots dedicated to the grant program could be re-assessed by allocating them for investment to real estate companies. They in turn would build residential districts and housing compounds needed by the city.

The Municipality requested that the subject is included in the agenda of the City Mayors' Council meeting to establish a framework and a general detailed approach to that issue which could then be adopted afterwards to benefit both the nation and its citizens.

Additionally, the Municipality issued a letter dated 17/10/2001 outlining a quantitative survey of grant requests received in 1998. The analysis showed that Riyadh had by far the largest percentage when compared to other municipalities in the Kingdom which was accompanied by a shortage in available lands. Thus, a proposal was presented to review the process and to consider suspending implementation on the grounds that the program needs to achieve its stated objectives and align with the National Urban Strategy as noted above.

The Municipality repeated its request to study the feasibility of encouraging the private sector to invest in grant lands dedicated for services and utilities. It also sought to expand the application range of land grants in Riyadh, and facilitate land transfer procedures within the city. Concluding the letter, the Municipality proposed including the issue in the agenda of the periodic City Mayor's Council meeting to discuss and develop a general framework for solving the problem, as well as delegate the examination of details to a committee comprised of municipal land managers.

A letter was directed to HRH, the Minister of Municipal and Rural Affairs, on 30/7/2003 accompanied by a comprehensive report. In addition to containing the most important issues facing Municipalities, it also listed its competence, as well as problems and obstacles encountered by officials. We then proposed a new vision and a roadmap to realize our ambitions for urban development (presented in detail in Chapter 2).

The Municipality highlighted in the letter, by way of introducing the report, the numerous problems and obstacles facing the sector and that this was accompanied by a shortage in qualified cadres and specialized professionals, as well as an absence of clarity in various regulations and procedures. Added to that, was a weak institutional performance which caused the sector to be inundated with daily problems. There was no future vision and no specific mechanisms for achieving objectives. With that in mind, the Municipality expressed a desire to focus on four aspects, which it believed could be construed as a base for launching initiatives, as well as initiating corrective and development efforts for the municipal sector in general, and the administration of cities in particular:

First: The need to formulate a new futuristic vision for municipal sectors.

Second: Confronting the economic situation of municipalities and finding solutions which would enable cities to finance their respective budgets.

Third: Shaping the future with a new vision and an urban administration which ensures that municipalities are able to overcome hurdles and bureaucratic obstacles, and reinforces institutional work.

Fourth: The need to reconsider the Municipal Land Grant Program.

What concerns us in this chapter is the fourth aspect since, as noted, the program deviated from many of its objectives. Indeed, positive elements transformed into negatives, impacting both the city and its residents. Instead of owning fully serviced land that is suitable for building a home, they possessed an unbuildable plot, deprived from services for decades. This has led many grantees, who supposedly are in dire need for the land, to sell it for a nominal price which was not equivalent to the time and effort expended on its maintenance. Moreover, the large number of these grants has resulted in the rapid expansion of large cities. This will require spending considerable amounts of money in the future, in order to extend required services to these sites. The negativity of grants escalates further once we consider the consumption of land in cities, to the extent that numerous government agencies are unable to locate empty lots where they can construct service facilities. The Municipality noted in its letter that it is necessary to reconsider

the way lands are granted, especially in large cities, by implementing the following mechanisms:

- 1- Replacing the Land Grant Program with a program that provides housing for residents. It should be practical, follow a specific timeline, and allow all nationals who desire this option to obtain a residence easily and without any costly burdens. Indeed, owning a home is a source of social and economic stability, which makes the citizen feel like a partner in the nation. As a result, it is important for relevant parties, especially municipalities, to move from granting land to a program that enables nationals to own a home. Further, there needs to be a constant follow up to ensure proper implementation and the removal of any obstacles that may hinder realization. The goal should be an economical residence – in its construction, operation and maintenance – which is also conceived as an investment for citizens and their descendants.
- 2- Reconsidering the status of land owned by the government. It should not be treated as a commodity that is granted and offered for free without any return on investment. This is achievable through income generated from future revenues, lessening the cost of servicing lands, and ensuring the provision of sufficient lots for state utilities and services. In addition, it may be required to suspend granting land in major cities, which should instead be directed to mid-size towns and surrounding governorates. Further, municipalities should be able to invest in, and develop, large areas of land by partnering with real estate companies and delivering services in exchange for a stake in ownership. Or, the investor could provide required services, and in turn offer land to grantees in exchange for an appropriate sum to be paid over time. This would be similar to loans issued by the Real Estate Development Fund.

At the end of the letter, the Municipality proposed to HRH the Minister to sponsor a symposium for Mayors from municipalities across the Kingdom, administration specialists, as well as others concerned with municipal affairs. Together, they would discuss various issues with the aim of setting a future vision for the municipal sector. Once HRH finds that the proposal is acceptable, the Municipality would be willing to move forward with the proposal.

Following a review of a report that had been submitted by the Municipality, HRH the Minister of Municipal and Rural Affairs directed mayors in a meeting he chaired to prepare a joint proposal that includes mechanisms for activating issues pertaining to financing, administrating and developing the grants program. Mayors praised what had been previously submitted by Riyadh Municipality. They issued a letter dated 8/3/2005 stressing the importance of suspending grants in all major cities (Riyadh, Mecca, Medina, Dammam and Jeddah) and, instead, redirect land grants to small and mid-sized towns thus making them more attractive and limiting migration to major urban centers. Furthermore, grants in large cities should be subject to a moratorium lasting at least 5 years. During that time period, studies are to be conducted to evaluate grants in respective cities and prepare more successful and distinct plans. There is also a need to coordinate with the Finance Ministry, the Real Estate Development Fund, and the private sector in order to implement a housing program that is responsive to the needs of citizens, especially low-income groups, and takes into account their financial abilities. In their letter, the Mayors recommended to form a committee tasked with the development of municipal work, and to contract a specialized consultancy in order to re-examine various affairs and issues related to the sector and propose a work plan and specific implementation mechanisms which would be followed-up by the Ministry to ensure that these efforts are successful and carried out within a specified time frame.

The Municipality issued another letter dated 12/4/2005 in which it clarified that since the founding of the State, it has been dedicated to granting land to citizens. Also, given the status of Riyadh as capital, it has been receiving a larger share of these grants. We further reiterated that the program deviated from many of its stated objectives as previously noted, and resubmitted solutions for resolving the issue. We suggested that it might be more appropriate for the government to purchase land inside cities, dedicated to utilities and services as well as any future needs. Indeed, there should be an effort to preserve governmental lands both inside and outside developmental boundaries since they constitute an investment that will remain with cities in the long run.

In a letter dated 30/5/2006, the Ministry requested from all five municipalities to outline their visions and suggestions vis-à-vis the Royal mandate which was issued on 17/3/2006. The directive stipulated that the

Ministry of Municipal and Rural Affairs should put forward a just and transparent proposal for distributing government lands, and find innovative development mechanisms.

Accordingly, Riyadh Municipality reported in a letter, dated 17/6/2006, that it had previously taken the initiative in raising the issue of developing the Land Grant Program by directing several letters to the Ministry asking for a full reconsideration of the program, and setting a futuristic vision that would be in line with the State's objectives in supporting citizens, detecting their needs and achieving their well-being through the provision of land supplied with services. Given that governmental grants have in the past helped many citizens secure appropriate housing, the letter made clear that it no longer has a big positive effect due to changing circumstances. The noticeable increase over the last 10 years in the number of granted lands issued through Royal decree, forced the Municipality to plan subdivisions outside the urban boundary in order to respond to the resultant pressure from grantees. It also restated previous suggestions and proposals, such as replacing the Land Grant Program with a program that provides housing, reconsidering treating land as a commodity, and using large sized plots as an investment vehicle by partnering with real estate companies to build residential settlements and other developmental projects required by the city. The Municipality also suggested the following:

- 1- Considering the possibility of developing joint programs between the Municipality and the Real Estate Development Fund. Established by the State, the Fund is regarded as a pioneering and distinctive initiative and it can play a significant role in finding a solution to the problem, contingent on reevaluating its objectives and work procedures. For example, limiting fund beneficiaries to those with limited incomes by setting a maximum limit to the built-up area and also the overall land size; paying off the entire loan without any exceptions; finding appropriate mechanisms so that installments are paid on time to ensure a continuous revenue stream for the Fund; considering the payment of monthly installments; and issuing loans to the largest number of beneficiaries while substantially reducing waiting times. All of this can be accomplished by allowing banks, companies, and charities to contribute to lending, and encouraging

borrowers to purchase residential units. Construction companies can be incentivized to build residential units which are then purchased by obtaining loans from the Real Estate Development Fund. As such, the Fund would help the Municipality reduce the burden on citizens, in addition to supporting the poor and those with a limited income. Assistance can also be extended by examining the possibility of constructing affordable public housing projects (Sha'abi homes) in some of Riyadh's impoverished neighborhoods, so as to be in line with Royal directives.

- 2- Considering what has been previously proposed to the Ministry, which is supporting the planning of grant plots in locales that are close to urban centers, for example suburbs, so that they do not constitute a burden on the city. This also entails reviewing the area of granted plots to ensure that the largest possible number is offered to citizens. As for incomplete plans, we proposed to establish a dedicated fund at the Ministry which is called 'The Municipal Grant Development Fund.' This Fund would finance service projects in all grant subdivisions throughout the Kingdom. Subsequently, the State would extend services to respective plots prior to being distributed.
- 3- Not settling for partial solutions and proposals to resolve the housing problem, but seeking viable alternatives and integrated solutions, as well as establishing an organizational framework which requires coordination with different agencies concerned with housing affairs. These alternatives include:
 - a- Establishing an independent agency for land and housing. It would operate under the umbrella of a land grant bank following the implementation of operational mechanisms that would regulate the relationship between funding bodies and beneficiaries. This would guarantee the rights of all involved parties, and achieve integration in housing policies. Further, pursuing a balanced development in all areas of the Kingdom should be emphasized to activate a National Urban Strategy that aims at offering land grants in small towns. The State would provide required services so as to increase the attractiveness of these towns which contributes to limiting migration to major cities.

b- Land ownership should be linked to the design and construction of an affordable and economic home, in a specific time period that should not exceed two years. Land would be withdrawn from grantees in case no construction has taken place during that time frame. The process includes setting appropriate regulations which ensure the well-being of citizens as well as minimize costs for the government.

The Municipality at the end of its letter affirmed that it is important and crucial to take the first step of completely suspending grants for at least one year. During that time a proper action plan can be formulated, so that the program emerges with a futuristic vision that incorporates the viewpoints of all Municipalities. Subsequently, the adoption of these ideas and proposals will benefit both the Nation and Citizens.

The Municipality directed a letter to HRH the Vice Minister of Municipal and Rural Affairs, dated 4/12/2007, in which it outlined its viewpoint, in particular pointing out the daily suffering caused by the land grant process which has placed it under continuous and sustained pressure. Basically, the sector had to deal with the constant complaints of grantees who objected to their assigned plots because they were far away from the city and not suitable for habitation. Therefore, the Municipality suggested that the following points should be considered:

- 1- Given the increase in the number of applicants to tens of thousands on the waiting list, the Municipality was forced to allow growth beyond the city's urban boundary to remote areas unsuitable for habitation. This matter has led to an unnecessary expansion of the city, causing the proliferation of isolated, empty and unplanned areas deprived of requisite services.
- 2- Many of the plots which were granted more than 20 or 25 years ago have not been provided with services and were not subject to any construction activity. Municipalities are blamed for this state of affairs and citizens complain in media outlets that services have not been extended to their property, despite the passage of many years. It is expected that the situation will deteriorate given that land continues to be granted in remote locations, far away from urbanized

areas, and without any provision of services. This affirms that what is taking place now will lead to a situation in the future in which the municipal sector is the only one to blame.

- 3- The number of citizens who inquire at the Municipality about land grants constitutes the highest percentage of all inquirers. There is no doubt that the continuous increase in their numbers, along with the decrease in available and suitable land in various locations, creates a fertile ground for favoritism and injustice in distribution, despite all good intentions. Such a situation perpetuates dissatisfaction of beneficiaries, and also raises the level of discontent among citizens. Rather than promoting harmony, in some instances it can result in the proliferation of administrative corruption, favoritism and nepotism which discredits the reputation of the municipal sector. On top of all this, the constant inquiries about land reviews are a source of great inconvenience, occupying the time and energy of municipal staff. They are thus unable to direct their efforts towards other important tasks.
- 4- The currently implemented system of land grants has changed from its original objective of merely providing housing, to a materialistic pursuit as everybody competes to maximize its value using all available means and methods. Accordingly, referral requests constitute a source of great pressure for officials in the Municipality, which finds itself in an unenviable position. Landowners have a certain status and the Municipality wishes to fulfill their requests; however, what is available does not match the expectations of concerned parties.

The Municipality further clarified that these conditions require a reconsideration of the Land Grant Program whose continuation has, unfortunately, led to an inexcusable drain of city land. This will lead to a condition in the future where municipal responsibilities will overburden the sector, in addition to causing havoc in the administrative process.

In order to study the situation deeply and thoroughly, and to further reconsider the implementation of the entire grants program, so as to develop a work schedule and recommendations that would enhance effectiveness and avoid negatives, the Municipality sought permission from HE the Minister to

suspend the program in Riyadh for one year. This would enable rearranging relevant paperwork, reviewing work mechanisms, and recommending ways to developing its performance and realize the desired objective. At the same time, we were committed to accept requests from citizens who had received a Royal directive. These were prioritized and arranged in files until the study has been completed and sent to the Minister.

A letter was received at the Municipality from the Ministry which included questions about land grants, specifically procedures implemented in 2008, while requesting the identification of locations and beneficiaries. The Municipality found that this was an opportunity to clarify its efforts in developing work practices related to these grants, explain the extent to which it suffered from the program, submit information about grantees, as well as location and area of their assigned land plots.

The Municipality clarified in a letter dated 6/2/2008 that it strove towards locating land suitable for housing and construction, to be planned according to proper standards which take into account all circumstances and considerations. It also aimed at executing Royal directives immediately, and gave priority according to the order in which they were received. Lands were granted to owners in a time period that did not exceed four months following receipt of the request and completion of paperwork. The aforementioned was undertaken despite the land scarcity given the large number of grants, which did not match the availability of land, much to the suffering of the Municipality.

The Municipality also alluded to its implementation of the E-government concept, and the steps it took to facilitate the affairs of grantees, further develop the Land Grant Program, and curtail its procedures by using advanced technologies. For example, a 'smart card' registering all the necessary information was issued to grantees, in addition to an SMS service to their mobile phones. Through the serial number associated with the card, grantees could access the Municipality's online site, follow up on the implementation of the grant, and check with the Public Administration of Land and Property to receive relevant documents. The Municipality also explained its efforts to upgrade the land grant program by using modern technologies so as to automate the allocation to grantees and inform them by email and SMS messages to attend the automated allocation process. As such, the Municipality strives to

implement the concept of E-Government fully, so as to relieve the grantees from having to check in person with the Public Administration of Land and Property. All what is needed is that the grantees enter their data online and the Municipality will process it according to the procedures.

At the end of the letter, the Municipality clarified that even though it continuously strives to develop the grant program, and is keen on achieving the aim of the State to provide grants and housing to citizens, it nevertheless saw that what is being implemented no longer achieves the desired objectives. Instead, it transformed from facilitating the provision of housing to procedures that impacted municipalities negatively. The continuation of that approach required a comprehensive reassessment. The Municipality listed a number of letters which had been sent to the Ministry, in which problems related to the grant program were enumerated in great detail. There were also proposed solutions, such as involving the private sector to invest in lands earmarked for utilities; extending the grants program to the entire Governorate of Riyadh, thus reducing the pressure on the main city and enhancing development in small and mid-sized towns; as well as the proposal for the complete suspension of granting lands in major cities, and redirecting it to the surrounding secondary towns. Finally, the Municipality referred to the previously submitted report which outlined the main issues and affairs facing the sector, and included respective viewpoints and suggestions.

A letter concerning land subdivisions in Eastern Riyadh, dated 28/4/2008, was issued to the Ministry of Municipal and Rural Affairs, in which the Municipality clarified that it had received the majority of land grants issued by Royal Decree. Accordingly, and given the fact that there was a dearth of governmental land suitable for residential construction, it was forced to plan subdivisions in remote areas which did not have any services. This included the Eastern Riyadh subdivision which is located outside the urban boundary, alongside the Dammam and Remah highways. Planned in 2003, it was envisioned as an integrated suburb, comprised of residential and industrial uses and also inclusive of public utilities on an area totaling 140 million sqm. Land located alongside the Dammam Highway was reserved for the Municipality, to be used for investment purposes. The percentage of land dedicated to grants reached 90% from all available plots in the subdivision. Subsequently, many grantees obtained land deeds and requested building permits. However, the Municipality did not respond to

these requests, preferring to delay any construction activity given that these lands were located outside the development boundary and were not supplied with services.

The Municipality further clarified that it directed several letters to the Ministry about the urgent need to reconsider developing the Land Grant Program and setting a futuristic vision which would keep up with the objectives of the State to support citizens, and provide land inclusive of services. It was also noted that relevant parties, led by the Municipality, should strive towards this aim, given the potential positive contribution towards the social and economic stability of the Saudi family. The letter concluded by drawing attention to the price of land in the Eastern Riyadh subdivision which was quite low because of the absence of services. It reached 20-40 Riyals/sqm for plots located alongside secondary and commercial roads. This prompts grantees to sell their property to real estate developers, who in turn may resell the land to citizens after several years at a much higher price, thus negatively impacting the national economy. In addition, the proliferation of multiple forms of property ownership will affect achieving the objectives of a comprehensive and balanced urban development.

Summarizing its opinion, the Municipality called on the State to expropriate those lands and to compensate owners to the tune of some 2 billion Riyals and use it as a strategic state asset. Those lands are located in close proximity to the eastern suburb where there are numerous opportunities for further developments that would in general reflect the Kingdom's huge urban and economic renaissance, and Riyadh in particular. The State would be able to build housing projects and governmental facilities that contribute to regulating urban development in the area, thus transforming it into a civilized and urbanized front for the city in harmony with its surroundings. The sufficient financial liquidity at the time, in addition to State ownership of the land in those sites, enabled it to control land prices, prevented any unjustified inflation, and provided citizens with fully serviced land suitable for home construction.

The Municipality directed a letter, accompanying the aforementioned correspondence, to HE the Minister, outlining the extent of its suffering from the Grant Program. It reiterated that this was due to an increase in the number of citizens who were granted land, and the city's overall urban expansion in

all directions. This led to planning residential subdivisions lacking services, to the north, south, west and east of Riyadh. Their overall area was estimated at 367 million sqm. With the passage of time, some of these subdivisions became quite close to urban residential areas, namely, the first and second urban zones, as well as the eastern and northern suburbs. Unfortunately, grantees were not able to benefit from these developments by building houses since there were no services.

Based on a comprehensive technical study, the Municipality explored the possibility of providing services (asphalting, sidewalks, lighting and afforestation) to these subdivisions so that citizens may be able to build their houses. That would, in turn, confront the high cost of land and construction. The Municipality requested from HE the Minister to direct the State to bear the costs of executing these services, estimated at 4 billion Riyals, by cashing in on the budget surplus. Payment would take place according to a specific time frame following financial allocations based on the implementation of different phases. The overall cost can then be recuperated from respective landowners, if needed, at a later stage. In conclusion, the letter clarified that the adoption of a program providing services to granted lands, would enable the Municipality to play a major role in restraining increasing land prices, as well as allowing a large portion of plot owners to build houses.

Two months after the previously mentioned letter, on 6/6/2008, we followed up with another correspondence, seeking the support of HE the Minister of Municipal and Rural Affairs for our proposal about financing and developing services and infrastructure for granted lands in Riyadh, whose total area reached 367 million sqm. Distributed across the city, and lacking services, grantees have not been able to benefit from such land by building houses. Once again the Municipality pointed out the necessity of resolving the existing situation by searching for integrated solutions and appropriate alternatives. This would entail the State bearing the cost of implementing services, while considering recuperation from landowners at a later date if that were to become necessary, as we indicated in the previous correspondence. The Municipality was looking forward to obtaining the approval of HE the Minister to directly present the proposal to HRH the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz, so as to ensure that the State would bear the cost of implementing services based on the general Governmental surplus. This would go a long way towards resolving the

ongoing situation, while realizing the wishes and directives of HRH, who implored State sectors to do all that is possible to alleviate the daily struggle, and facilitate the affairs, of citizens.

A symposium was held by the Ministry of Municipal and Rural Affairs from 7-8/11/2009. The Municipality participated with a paper about granting government land for housing. The event was an opportunity to present our viewpoints concerning the status of the program within the municipal sector. The paper was quite bold and transparent in pointing out that the Land Grant Program no longer serves citizens or cities; nor does it fulfill the State's directive which states that every citizen should be able to obtain a plot of land to build a house for himself and his family.

While presenting initiatives and solutions to problems plaguing the grant program, the Municipality clarified that what takes place in Riyadh is a reflection of what occurs elsewhere in the Kingdom's major urban centers. Moreover, attempts by Municipalities to adopt a variety of ideas and solutions are nothing but improvisations which are not based on serious scientific studies. The matter has become a field of experimentation without leading to any tangible positive impact, and the situation gets worse year after year. This part of the paper concluded by stating our conviction that what takes place in the program does not serve its main objective – which is helping citizens to build and own a home.

The paper compared between the grant program's past and its current status (2009 at the time), pointing out the vast differences and fundamental changes that have taken place in terms of resources, number of applicants, etc. The program, in its beginnings, played an effective role, enabling citizens to own a home while strengthening the social and economic stability of the family. However, things changed in 2009. In spite of a desire to achieve this noble objective, there were too many negative developments. Land sold at a nominal price was no longer available, along with restrictions on sales and construction. Furthermore, the list of target recipients for the grants kept increasing exponentially. Consequently, the Municipality was forced to distribute plots which were not serviced, and would remain in such a condition for decades. The matter ended by transforming from a program that fulfills the need for housing, to become a tool for buying, selling and accumulating wealth. In addition, the availability of land with a distinctive

location was diminished. Accordingly, the Municipality no longer had any strategic asset of plots which could be dedicated to services. To reiterate, a grant program that had initially served a noble objective and should have had a positive impact became a program that did not effectively serve this aim. Nor did it yield expected positive results. On the contrary, numerous negative consequences kept undermining its main objectives.

The paper concluded by presenting a futuristic vision of the grant program noting that the issue was complicated. It required a persistent effort especially since the situation in our cities and municipalities was quite dire, and there would be no improvement in the future unless there was a serious, resolute and realistic pause in order to reformulate a new vision, and a complete reconsideration of the entire program (objectives, methods, tools). We also reaffirmed the previously noted negative repercussions which impacted both the city and its citizens. By way of reconsidering the implementation of grants, the Municipality suggested to empower people to build houses rather than merely wait. The entirety of the program should be restructured to consider it as a tool of empowerment rather than a way to offer assistance or aid.

Municipalities need to clearly decide where they stand on this issue. Either by establishing policies and regulations which orient the program to the right direction, by giving citizens the ability to convert respective plots into houses, while also ensuring the availability of financial support. Or, by delegating the entirety of the program to another specialized authority. This would allow the municipal sector to focus on its efforts as a service agency, committed to the city's affairs and the provision of an environment where citizens can live comfortably and happily. Such a reorientation also affirms that Municipalities have numerous responsibilities and tasks requiring full attention and readiness.

The paper emphasized that existing land needs to be properly maintained and considered a valuable asset that belongs to the city. It should not be seen as a burden but an important capital investment. There is in fact no need to further create conditions that encourage increased migration to cities. Furthermore, it is not logical – as is the case in major urban centers – that there should be a dearth of land suitable for public use. This has reached a condition whereby numerous governmental authorities are scrambling to

locate land where they can construct respective service facilities. Similarly, Riyadh Municipality suffered because there were no land plots where it could establish its various branches as well as set up public utilities.

Unfortunately, the proposal to expropriate land from the grant subdivision in Eastern Riyadh, along with many others, was not received favorably. It was not clearly understood that the Municipality was aiming at converting problems into opportunities, and that the objective behind expropriation is to subdivide the site according to a new plan, while engaging with the private sector as a partner. In turn, citizens would repossess properties through a comprehensive housing program which does not just entail granting land. The other option was for the government to construct the entire subdivision infrastructure, so that the site is suitable for citizens to build their own houses.

The proposal was discussed among numerous departments in the Ministry and examined in a conventional and bureaucratic manner. A letter was received from one of those departments which demonstrated that they were not able to comprehend or understand the matter. Instead, they sought to dilute our ideas, by relegating them to the typical cycle of committees and discussions which typically lead back to square one, after exerting considerable efforts, as well as consuming valuable effort and time.

The Municipality did not give up, by trying to further clarify the matter. To that end, a letter, dated 20/2/2010, was issued to HE the Minister of Municipal and Rural Affairs, in response to a communication from the Ministry's Planning Agency. We acknowledged receiving a number of recommendations and requested the Minister's permission to raise a few observations as follows:

1. The main objective of the proposal is to present it to the Royal Court to ensure the availability of a sufficient supply of land for the State and the City. Mechanisms could be formulated to guarantee that these lands are not squandered and used only for very specific purposes.
2. Suffering from a dearth of land in the city is not a problem that could be easily dealt with. Indeed, it is expected that it will become costlier and more complicated in the future, especially since areas resulting

from the city's rapid expansion are owned by numerous parties. The problem will further exacerbate with the passage of time. Moreover, unless there is a sufficient supply of State owned land, the process of obtaining plots will result in very costly expropriation measures.

3. There is great difficulty in finding sites for utilities and governmental structures, as well as smaller plots for charitable organizations or health centers. Added to this list are large service establishments which are expected to come on board in the future. For example: hospitals, new university facilities, electrical and water stations. Each one of these may require areas that could exceed tens, or even hundreds, of thousands sqm.
4. The matter requires a decision, and not just coordination between the Municipality and the Urban Planning Agency, since the proposal constitutes an initiative that aims at providing a strategic land reserve in anticipation of the city's future needs.
5. The significance of such an orientation stems from the fact that there may not be any other alternative in the future. Indeed, what distinguishes the proposal is that more than 55% of the subdivision, in the form of streets and utilities, is already owned by the Municipality. Moreover, development has not yet commenced in the area and, as a result, prices are still quite low. For land to remain in the hands of grantees will constitute a burden on Municipalities as there will be requests for the extension of services.
6. The proposal does not just seek to provide a limited area in order to increase services or to solve the problem of facilities for specific agencies – whether it is the Municipality or anyone else. The goal, in short, is to provide the city with a land reserve for future use. Given the current state of affairs of properties, some of which are located at a distance that exceeds more than a 100 km, the city will be in dire need in the future to provide sites for services requiring large areas (transportation hubs, depots, electrical stations, strategic storage facilities, hospitals, colleges, security facilities).

As the correspondences above indicate, and to summarize the viewpoint of the Municipality, we can state that the matter of grants dominated a significant

portion of municipal work. What used to be a positive element turned into a negative. In addition, to squandering a future reserve for the Municipality, the implementation of the grant program has resulted in distributing land unsuitable for construction. Citizens cannot envision that this is where they will build their future home, nor can the city conceive that such a process will result in natural growth. On the contrary, grantees end up selling the land, treating it as a commodity. The negativity of these grants increases, leading to a situation whereby the state is unable to locate land dedicated to the construction of service facilities. In turn, police stations, municipal buildings, civil defense units, the Red Crescent, health and education centers, are all desperately seeking land for their facilities.

In addition, there has been an increased demand on Riyadh, given that it is the political capital. And there has been a noticeable increase over the last few years in the number of issued Royal decrees which maximized growing population numbers and an expansion of city size. Such a growth was also attributable to natural factors, as well as continuous migration from various areas throughout the Kingdom. Furthermore, the continuation of consuming land within cities was accompanied with all sorts of problems, repeatedly mentioned in multiple letters directed to the Ministry, as outlined above.

Based on this, Municipalities must maintain their existing stock of urban land, especially because it constitutes a highly significant capital investment and should not be seen as a burden. For all of these reasons, reconsidering and developing the Land Grant Program has become an unavoidable matter. Its objective has to change from a program that grants land, to a national program that facilitates ownership of a home. The program would be guided by the slogan ‘Housing for Every Citizen.’ It is equally crucial to deal with existing subdivisions and lands that have been previously granted to citizens, either by developing infrastructures or expropriation by the State. Such an approach would allow replanning according to new directives and based on modern principles, thus benefiting the city and its residents.

أسنة الرياض



إدارة منطقة الرياض
وكالات التعمير والمشاريع
إدارة العامة للتخطيط العمراني

تحقيق الرؤى والطموحات في تعزيز البعد الإنساني بمدينة الرياض

منشأة الأمير سلمان
في بنين البري
م ٣٤٠٠٠٠٠

حدائق الملك عبدالله
العالمية
م ١٦٠٠٠٠٠



برنامج
الحدائق
والمتنزهات



منشأة الملك عبدالله
(ميدان الفروسية بالقرن)
م ٣١٨٠٠٠



الساحات
البلدية



ممرات
المشاة



تأهيل المباني
لاستخدام
ذوي الاحتياجات
الخاصة



واحات
العلوم
بالأحياء



إحتفالات
العيد



البرنامج الثقافي
مسرحيات
وأسيات شعرية



مهرجان
الرييح



Chapter 8

الإهتمام بالمقابر



تطوير الميادين

Humanizing Cities

Humanization Programs and Initiatives

First: Initiatives to Enhance the City's Cultural Development

Second: Exercising, Walking and Municipal Plazas Initiatives

Third: Environmental Development Initiatives and Development of Wadi Hanifa

Fourth: Initiatives Expanding the Range of Municipal Services offered to Society

Fifth : Initiatives for Consumer Protection and Revitalizing Popular Markets

Humanizing Cities: An Approach Destined to Remain and Grow

Humanizing Cities

The concept of ‘humanizing cities’ is about enhancing the human dimension in cities. It transforms a city from being a place that is silent and desolate to a setting that is vibrant and alive. It allows people to construct their own personal narratives and for the community to establish a distinct social identity. During my tenure as Mayor of Riyadh, I developed ‘humanization’ as one among many other futuristic programs in the Municipality which aimed at advancing and developing the sector. Perhaps, I may have been the first to introduce the term. I focused on standing alongside citizens, so as to regain their trust, satisfaction and overall positive contribution.

In the course of interactions that take place between residents and the Municipality, we sought to instill and use the term ‘initiative’. It was one of the mechanisms through which we built bridges of affection, appreciation and partnership that put the Municipality in good standing with residents. It is a standing that emanates from respect. We always emphasized that municipal achievements must be accompanied with credibility and be based on correct decisions which have been thoroughly studied. Our objectives aim at serving all people, and lining up with them. In addition to prioritizing people, anticipating needs and requirements before they are requested, and even going beyond their aspirations and desires. Therefore, it became imperative to introduce initiatives, ideas and new programs which respond to the changing circumstances of Riyadh’s inhabitants, so as to ensure their involvement as an active partner, rather than merely being a ‘passive recipient.’ The presence of HRH Prince Salman bin Abdulaziz was a main source of support for that approach. He provided sufficient leeway to enable a partial implementation of local management which allowed us to adopt humanization programs and projects. We had to reconsider the nature of municipal work, its priorities and the way it has been administered. There also was a need to modernize ideas, programs and initiatives. All of this would have been difficult to achieve without the glimmer of hope which HRH Prince Salman bin Abdulaziz offered, encouraging us to pursue this new and atypical path which was not part of municipal programs or projects. This has furthered our conviction that the municipal sector is one of the closest to city residents and that municipal work is for the people and by the people.

This new path allowed us to pursue a different way of thinking and adopt numerous initiatives aiming at the humanization of cities. Thankfully, within a few years, the term, and associated projects and programs, proliferated throughout the Kingdom. Its implementation became a priority for mayors, and was discussed in the hallways of Municipalities and among participants in conferences dedicated to municipal affairs. The matter did not stop there, but humanization went beyond being a topic of interest, to asserting its presence in municipal budgets during discussions with the Ministry of Finance. Lately, as a crowning achievement, humanization became one of the programs and objectives of the Kingdom's Vision 2030 which outlined a progressive urban vision.

Some may think that humanization programs were implemented at the expense of the municipalities' basic tasks and projects. However, the reality is that the initiative activated and maximized the role of the municipal sector in people's lives, to be aware of their suffering and to recognize their requirements. Furthermore, the Municipality was able to implement the program through the concept of local management and by adopting the principle of administrative and spatial decentralization. As noted, we received the support of HRH the Governor of Riyadh who welcomed this challenge, and backed the steps for overcoming any impediments.

Many of Riyadh Municipalities' initiatives and innovative ideas were copied by cities throughout the Kingdom. Our projects were a source of inspiration, and some programs became official policy. For example, an order was issued to all areas in Saudi Arabia, to commemorate the celebration of Eid and the National Day. And, in a yearly Governor's meeting a directive was issued instructing Municipalities to follow the lead of Riyadh in establishing municipal plazas, so that they become a recreational outlet, and a place to practice sports for young people in particular, and family members in general.

The Municipality affirmed its leading role in advocating the humanization of cities through a symposium which was held under the title 'Towards Humane and Friendly Cities for Everyone.' The event took place from 19-21/5/2008, in collaboration with the Arab Urban Development Institute. The symposium aimed at raising awareness about the importance of enhancing the human dimension and present solutions and alternatives for developing urban planning methods to encourage the humanization of cities. In addition to

investigating the role of Municipalities in providing appropriate features and facilities which would support a people-centered approach; and examining the potential role of the private sector and civil society organizations. The event also discussed numerous local, regional and international practices which aim at providing appropriate and safe places, thus emphasizing the idea of a ‘friendly city for all’.

Humanization projects implemented by Riyadh Municipality received numerous local and international awards, in appreciation for its achievements. For example, a 2003 Award from the Arab Organization for Greening Cities; the 2004 ‘Publication and Translation’ Award from the Organization of Islamic Capitals and Cities; the 2004 Mohamed bin Rashid al-Maktoum Award for the ‘Most Distinct Administrator’; the 2008 King Abdullah the Second ‘Creativity Award for the Project, ‘Riyadh, a Pedestrian Friendly City’; the 2008 Award from the Global Foundation for Dynamic Communities for ‘City Humanization Projects’; and the 2010 Prince Sultan bin Salman Award in Urban Heritage for ‘Enhancing Riyadh’s Human Dimension’.

I should refer interested readers, who wish to learn more about Riyadh’s Humanization Program, to the first edition of my book, published in 2016, and titled ‘Enhancing the Human Dimension in Saudi Municipal Work – Riyadh: A Paradigm’. It covers many of the humanization projects which I worked on and were implemented by Riyadh Municipality during my tenure as Mayor from 1997-2012. In this chapter, I will very briefly review some of what has been covered in the book in order to highlight the significance of the program and to show the extent to which Riyadh has become a pioneering city in this area.

Humanization Programs and Initiatives

Riyadh Municipalities’ efforts which were accomplished under the umbrella of humanization included several initiatives and development programs. Some aimed at enhancing the city’s culture; others targeted upgrading its environmental conditions; while the rest were concerned with strengthening social bonds and stimulating economic opportunities.

First: Initiatives to Enhance the City's Cultural Development

These initiatives aimed at enhancing citizen's collective awareness of, and support their association with, their city. It encouraged active involvement in communal events by pursuing cultural and recreational activities. Those included an assortment of events, such as heritage and art festivals. The initiatives are listed as follows:

1- Cultural Awareness Publications Initiative

The Municipality participated in the documentation of Riyadh's history, heritage and urban development by publishing a series of books. Some concern the history of the region as well as the city and include: 'Riyadh through the Eyes of Travelers;' 'Riyadh: History and Development;' 'Princes of Riyadh during the Reigns of the Saudi State;' 'The Riyadh Region: Ancient Political and Urban History.' There were also some books dealing with the region's urban heritage such as 'New Life for Old Buildings' (published in English), and 'Treasures of Urban Heritage.'

Other publications were specifically dedicated to Riyadh's architectural and urban heritage, such as: 'Architecture in Riyadh;' 'Home and the Residential Environment in Riyadh;' and 'Urban Space and Humanizing the City.' The Municipality also sought to benefit from some of its projects by issuing a 'Dictionary of Riyadh's Street Names,' and the 'Riyadh City Map Guide.' Furthermore, a periodic magazine titled 'The City of Riyadh' offered relevant cultural content related to the city's culture, history and urban heritage. The Municipality also produced a multilingual documentary about the city.

2- Eid and National Celebrations Initiative

In the past, most of Riyadh's residents preferred to remain in their homes during Eid and National holidays, or they would travel to other cities that offer opportunities for enjoyment, exercising and recreation. Riyadh turned into a 'silent city!' I wondered if there is a segment of residents who are able to travel either within the region or elsewhere in the world, what about the remainder who do not have the financial means

to either patronize local commercial leisure centers or travel outside of Riyadh? What can the Municipality offer to this group? The response to this question led to the success of the Celebration Initiative to the extent that it also attracted people who were well-off and able to travel elsewhere.

The wide scope of the city's humanization initiative enabled the Municipality to stand alongside ordinary citizens, who have limited resources, by offering free leisurely and cultural programs. The first of these was launched during the Eid al-Fitr celebrations in 1998. The event, in spite of its simplicity and limitations, contained numerous creative ideas which convinced us that there is room for further experimentation. This singular event was held on the celebratory grounds alongside the Eastern Ring Road, and was limited to the recitation of poetry and some simple entertainment activities. However, within the course of one year, the total number of events reached 60, and they were distributed throughout Riyadh. The following year represented a real breakthrough towards the expansion of celebrations both quantitatively and qualitatively. And ultimately, the proliferation of these events across the entire city benefited all segments of society.

Municipal efforts received support and encouragement from the wise leadership which issued a directive in 1999, stipulating that Eid celebrations must be organized throughout the Kingdom, thus confirming that we were moving along the correct path. The initiatives developed over the years until it became a cultural mainstay for the city. Yearly celebrations were executed according to a comprehensive plan with the involvement of numerous participants. These events became an opportunity to show off the city's cultural assets, as well as the wealth of its history and greatness of its heritage. They also indicated how citizens embrace global art and culture, as the city turned into a huge carnival. Such celebrations took place throughout the Governorate of Riyadh and they received the necessary technical and financial support. We were also heartened that numerous cities in the Kingdom followed in Riyadh's footsteps and implemented similar measures.

3- King Salman Neighborhood Science Oases Initiative

The Municipality realized that our children had no opportunities for leisurely, cultural and educational activities outside of schools, except shopping malls and restaurants. Accordingly, the Municipality decided to launch the 'King Salman Neighborhood Science Oases Initiative.' These Oases represent a comprehensive scientific project targeting all society segments in Riyadh.

They are akin to a traditional neighborhood library, which embraces technological advancements, and incorporates latest innovations in education and the display of scientific knowledge. Its wide scope encompasses different scientific areas, in addition to incorporating an interactive educational experience. In the first phase, the municipality planned to implement 15 of these Neighborhood Oases to cover the domains of sub-municipalities (6 have been completed). They are all part of a network linking them to the main King Salman Oasis which is presided over by the Riyadh Philanthropic Foundation for Science and the King Abdulaziz City for Science and Technology. The second phase will comprise the construction of a number of Oases throughout the provincial governorates. They will all be linked together via a network to connect Riyadh's upcoming generation scientifically, recreationally and knowledge-wise. A third phase will witness an expansion of the project so that it covers all areas of the Kingdom, and becomes the largest knowledge network for interaction, education, and recreation in the Kingdom.

The design of each Oasis included an electronic library full of simplified scientific references, and an amphitheater offering shows for children and teenagers. In addition, it could be used to host seminars and lectures. There are also several opportunities throughout the building for gatherings and impromptu exchanges.

Second: Exercising, Walking and Municipal Plazas Initiatives

First- Walking Paths Initiative

The exercising and walking initiative aimed at responding to a growing societal trend. It all started with a sidewalk that became known as the ‘path for pregnant women’, where women in their last months of pregnancy walked upon the advice of their doctors. The sidewalk however was not adequately prepared for any kind of walking activity. The general consensus at the time was that we should start with an idea that originated from the people. Rather than simply making up an initiative it was better to engage with an urgent need for which a response has been found. In turn, we developed this response by converting the path into a project that fulfills essential societal needs and has a clear social and humane dimension.

This beginning motivated the Municipality to propagate the experience across different parts of the city. Accordingly, walking paths became a central feature in several neighborhoods. They also varied in terms of activities. Some were using the paths for exercising purposes, while others saw it as an opportunity for shopping and recreation. Furthermore, the prominence and visibility of these paths suggested the possibility of linking them in a network that connects districts and neighborhoods, thus further strengthening the city’s human dimension as well as enhancing social bonds. Linking paths together also encourages people to walk in pursuit of their daily affairs which has numerous health benefits. For example, one potential network can start from Sheikh Abdullah al-Anqari Road, to Mussaed al-Anqari Street, then to Abdullah bin Soliman al-Hamdan Street, onward to Prince Mohamed bin Abdulaziz Street, and then through to Prince Sultan bin Abdulaziz Street, ending with Prince Abdulaziz bin Mussaed Street which leads to King Fahd Medical City. The Municipality intended to complete this network further by linking it to a major walking path encircling the Equestrian Club in Malaz, which was nearing completion at the time. That network can be further extended so that it reaches projects in the city’s downtown area such as the King Abdulaziz Historical Center and the Qasr al-Hokm District. This will allow the formation of a comprehensive network linking the heart of the city to its different parts, especially once the upgrading of King Abdulaziz (al-Batha) and King Faisal (al-Wazir) Roads is completed. Following an extensive municipal study, both of these roads will be converted to a one-way

direction, which is expected to significantly alter the commercial character of the area if implemented.

This linked network resembles the commercial area which is located between King Fahd Road and Olaya Street, starting from Mecca Road, to the south, until King Salman bin Abdulaziz, to the north. The project entailed rehabilitating this commercial district and implementing a complete network of sidewalks, trees and lighting. Taken together, they enhance the human dimension, placing people ahead of cars, while at the same time ensuring that traffic is not disrupted.

Second- The Neighborhood Municipal Plazas Initiative

The Municipality aimed at taking advantage of its observations, following up on youths who come together in specific spaces throughout the city to play soccer. There are also competitions which are being held among teams as the game is quite popular in the Capital.

With that in mind an initiative was adopted to convert some of those spaces into neighborhood plazas, equipped for the practice of sports. The first of these to make an appearance in Riyadh, and the Kingdom in general, made its debut in the district of al-Suwaidi (al-Feryan) on August, 2008. The site was transformed within a few months into a modern sports facility. Usage was free of charge for neighborhood residents and their families. The plaza was connected to the neighborhood and became an integrated exercise and service center containing various points of attraction such as sports courts, walking paths, green areas and a playground for children.

The Municipality rapidly expanded the initiative until the number of municipal plazas reached 30. Targeting the development of 100, the overall count in 2011 was 66 plazas. Priority was given to neighborhoods inhabited by low-income residents. In 2010, the crowning achievement was a directive issued from HRH the second deputy Prime Minister, and Interior Minister, to HRH the Minister of Municipal and Rural Affairs, to implement the recommendation of the annual Governors meeting. Held in 2010 it stipulated that the neighborhood plaza experience should be implemented across the entire Kingdom which thankfully took place and these facilities can now be found in numerous towns and cities

Third- Environmental Development Initiatives

The initiatives included projects and various programs that aimed at restoring a natural balance to the urban environment of the city, by limiting the proliferation of concrete structures as well as paved roads and highways. This was achieved by expanding green areas since they enhance the city's attractiveness, provide shade and alleviate excessive heat. In addition, we sought to preserve natural resources and wildlife, and maintain general environmental health.

Numerous tracks to transform the development of Urban Parks

I wondered why our citizens refrain from patronizing urban parks in Riyadh? We discovered the main reason is that the design of these parks does not respond to the specific cultural requirements of Saudi society. In order to change this situation, we introduced three tracks:

Track 1: Implementing new ideas in existing parks – specifically applying the concept of ‘Parks without Fences.’ Additionally, the Municipality held celebratory events to encourage citizens to frequent parks on a regular basis and enjoy their natural beauty. Those events include the ‘Riyadh Spring Festival,’ the ‘Pearl of Parks Festival,’ and many others.

Track 2: Developing future parks in new master plans so as to enable the Municipality to introduce new and different ideas related to the design of open spaces in the city. Accordingly, small and scattered neighborhood parks can be combined together so as to form a much larger, and centralized, urban park.

Track 3: Directing attention to the development of mega parks covering over a million sqm. This is of particular significance since a city as large as Riyadh needs urban parks which are massive in size. As a first step to achieving this aim, efforts should be directed towards the identification and reservation of appropriate locales throughout the city.

Examples of mega parks in Riyadh include:

1- King Salman Natural Reserve Park in Banban:

Located to the north of Riyadh, the park comprises an area of 3.5 million sqm, and is considered the first of its kind. It preserves the site's natural features and topography including dry riverbeds.

2- King Abdullah Park in Malaz:

Located on the site of the old Equestrian Club, its area exceeds 300 thousand sqm. There are a number of factors that have made the park a main center for the celebration of national events: its central location, the presence of a massive artificial lake with a distinctive water fountain, and Prince bin Fahd Stadium which is located nearby. Hosting large events is facilitated by the presence of plazas and amphitheaters.

3- King Abdullah International Gardens:

Construction started on King Abdullah International Gardens, which is envisioned to become one of the largest botanical gardens in the world. The design won a number of international awards. The project is located along Jeddah road, with a total area of 2 million sqm. While the first phase has been completed, additional phases were delayed. However, a Royal directive from the Custodian of the Two Holy Mosques in 2018 requested a speedy completion.

4- The Reconstitution and Revitalization of Wadi al-Sulay:

It would be no exaggeration to state that the revitalization of Wadi al-Sulay is one of the most important environmental projects in Riyadh. The Wadi was forgotten in the midst of urban expansion, and was encroached upon by buildings and roads. In some sections, people only detected its presence when there was a torrential rainfall, which was quite a rare event to begin with. I was personally keen on this project as I had a deep conviction that, upon completion it will become one of the Municipality's most important ventures, and a rare and significant environmental achievement, representing a recreational outlet for the city and its inhabitants.

It was worrying to imagine that such a significant environmental element could have been completely forgotten and simply disappear, only to be replaced with drainage pipes buried below ground. We cannot envision Riyadh without Wadi Hanifa whose importance and beauty increased following its revitalization. Similarly, a day will come when it will not be possible to think of the city without Wadi al-Sulay.

The Municipality worked towards reconstituting the path of Wadi al-Sulay following the disappearance of most of its features. The design of the Wadi itself entailed a vision that incorporated a water channel with a permanent flow of water, dry waterbeds which are filled with water during the rainy season, as well as paved and unpaved side roads. The project also included hiking trails and jogging tracks, landscaping features (tree planting, nurseries, and orchards), places for entertainment, wild parks, seating areas, belvederes, and sports fields for soccer, volleyball and basketball. Stone screens ensured the privacy of seating areas dedicated to families.

5- Salam Park

The park is located in the center of Riyadh and comprises an area that exceeds 300,000 sqm. It was on the verge of being converted into a residential and office development similar to what happened to old farmland which was located nearby. Prince Salman bin Abdulaziz, however, insisted that the park is kept for public use. He exerted considerable effort so that site ownership is transferred to Riyadh Municipality, while original owners were compensated with an alternative location. The development of the project was subsequently assigned to the Center for Projects and Planning at Ar-Riyadh Development Authority who executed a distinctive design characterized with its openness, presence of diverse elements and integrated with environmental features.

6- Reconstitution and Development of Wadi Hanifa

HRH Prince Salman bin Abdulaziz, Governor of Riyadh and President of Ar-Riyadh Development Authority, adopted the protection, rehabilitation and development of Wadi Hanifa, as it is considered a distinctive environmental feature in Riyadh. He considered the project a priority and provided all the required resources. In addition, he instructed

a dedicated team that they need to work together to ensure the project's successful completion. The team was comprised of representatives from several governmental agencies including ADA (Ar-Riyadh Development Authority), Riyadh Municipality, and the Ministries of Water, Electricity and Agriculture. The environmental rehabilitation was completed by the Center for Projects and Planning at the ADA in April 2010.

Fourth- Initiatives Expanding the Range of Municipal Services offered to Society

Initiatives to expand the range and scope of services included projects that accommodated all segments of society regardless of the group, or the type of activity. Some of these aimed at providing women with equal opportunities in obtaining municipal services; others catered to those with special needs. In order to address the requirements of these groups, the Municipality made sure that they are able to fully access offered services, and that everyone is treated equally.

1- Women in the Municipal Sector: Empowerment and Creativity

Riyadh Municipality took the lead among its counterparts in the Kingdom to establish a dedicated unit for female transactions. The right to education, work, and ownership, as well as financial independence has been clearly indicated in Islamic law. Unfortunately, given my position as Mayor, I noticed that the actual implementation of these rights, and ensuring that they are applied throughout the corridors of government as well as the private sector, was quite slow.

Accordingly, we put forward a practical model in 2006, by deciding to set up a female unit which had the clearly stated mission of empowering women to attain their rights, and be able to accomplish their transactions and resolve any issues requiring municipal intervention. It commenced operation in 2007, with a dedicated team of 8 females who were located in an independent department within municipal headquarters. The unit grew over the course of four years to encompass 18 branches with a total workforce of 600 female employees. Many of them were holders of Bachelors and Masters Degrees, working sincerely and with full dedication, in an environment respectful of Saudi customs and traditions.

The Municipality took the lead in issuing yearly contracts based on its needs for a qualified female workforce. In addition, it began equipping offices in municipal branches and linking them to the head office at the Municipality. Even though entering into an annual contract was considered a slight risk, however it was one that sought to accommodate a public interest. It was inspired from our faith in God and the wise leadership and its desire for reform and support for the sons and daughters of the nation. Within a few years, a Royal Decree was issued, stipulating that these contracts are turned into permanent government positions. Thus, by taking such a risk the ultimate beneficiaries were female employees, the Municipality and the women who were able to conduct their transactions.

In 2012, a few months before completing my tenure as Mayor, the Municipality organized an introductory seminar on the General Administration for Female Services, to mark the fifth anniversary of its establishment. The event was held under the sponsorship of HRH Prince Salman bin Abdul-Aziz, Governor of Riyadh at the time, and attended by numerous ministers and officials including HRH, the Minister of Municipal and Rural Affairs. Afterwards, the General Director of Female Services was promoted to Deputy Mayor of Riyadh for Female Services, the first woman to occupy the position of a Deputy Mayor in Saudi Arabia, in appreciation for her efforts in founding and supporting the Female Services Department which expanded and increased its missions and responsibilities. Lastly as a sign that the female empowerment initiative was received positively, a number of Service Ministries and other Municipalities requested to avail of our experience and to implement similar measures.

2- Initiative to Care for People with Special Needs

Caring for those with special needs was limited, and even absent in every aspect of municipal work. The Municipality realized that the needs of this cherished segment must be included in its activities, to ensure that they are given proper attention. Accordingly, the General Department of Social Services at the Municipality was activated and tasked with raising the quality of social municipal services. This includes holding celebrations during national occasions, in addition to hosting weekly and seasonal cultural programs. Through such events, we were able to open up to people with special needs, and to expand the range of services to include their needs and requirements.

Following this initiative, the Municipality launched a study to investigate their specific requirements. Specifically, we were looking into establishing an accessible and inclusive city for the disabled. Especially with regard to properly designed sidewalks, car parking areas, and public restroom facilities. A special unit called the 'Unit for People with Special Needs' was tasked with raising the quality of respective municipal services. The Municipality adopted an approach that espoused the principle of 'commitment then adherence.' Accordingly, instructions were given to all concerned agencies to create a barrier free environment in their buildings and hallways, by providing appropriate elevators, ramps and guardrails.

The 'Unit for People with Special Needs' in the 'General Department for Social Services' began by conducting a comprehensive study about the needs of the physically disabled. In particular, they looked into accessing and entering Municipalities, how they are received, and the ease with which they can reach and use restrooms by providing ramps and appropriate counters. Subsequently, more than 100 of these dedicated facilities were provided across Riyadh. It is hoped that this approach is applied to the remainder of public buildings in phase 2, and all private buildings in phase 3.

Establishing such a unit signifies the extent by which the Municipality pays attention to the needs of this valued group. It is also considered a unique precedent and the first of its kind in the Kingdom. Its success encouraged us to take additional and more ambitious steps, including planning the establishment of centers dedicated to people with special needs in districts throughout Riyadh. One of the sites selected for setting up such a center is located in Hamra covering an area of 40,000 sqm. The Municipality has already completed the design and the project is currently under construction.

The Municipality detected the positive impact of such an initiative as it led early on to the idea of ensuring that the physically challenged are integrated with the rest of society. Rather than being isolated in segregated spaces, they are able to attain municipal and societal services in the same settings where other residents conduct their transactions.

Fifth – Initiatives for Consumer Protection and Revitalizing Popular Markets

This developmental bundle included a number of initiatives that aimed at providing economic opportunities to various segments of the population, including consumers and traders. It also sought to stimulate buying and selling activities within popular markets and the application of regulations which ensured that consumers can attain high quality products at a competitive price.

1- Establishment of a Municipal Emergency Call Center (940)

Finding an easy way to receive observations and suggestions led to the idea of establishing an ‘Emergency Call Center’ in 1998. Citizens would be able to communicate directly with the Municipality and every citizen became a monitor of urban affairs. Seeking the rapid feedback of residents, we emulated the experience of advanced call centers in other parts of the world. Thus, the number of municipal monitors increased exponentially to encompass millions of Riyadh’s residents.

A dedicated phone line comprised of three numbers (940) was set up, and the center began its operations in a small unit, which was subsequently developed according to the highest professional standards. The center receives reports which are recorded and then directly referred to respective departments at the Municipality and elsewhere, using the latest technological advances. We also sought to recruit experienced professionals so as to apply the highest standards in all matters related to the center’s operation. Furthermore, our objective behind setting up the center was the automation of procedures, elimination of paper waste, and in general the embrace of digital technologies. To that end, the dedicated line featured a recorded response which took into account citizens current and future service requests. We also made sure that there are a variety of ways by which people can submit their feedback, ranging from speaking directly to an operator, recording a voice message, to sending a fax or an e-mail, or an SMS message. In addition, they can also communicate via social media and mobile phone applications. All administrative units and municipal branches were linked together via an online portal, which facilitated the processing of reports once they are received. At the same time, cases could be directly closed once they have

been resolved. The center is also linked electronically to Civil Defense Units and Traffic Departments.

The center attracts young and ambitious Saudis, and operates around the clock according to a 24/7 schedule – including official and religious holidays. Future plans include developing the center so that it turns into a unified Operation Room which receives reports and emergencies, and is in constant communication with citizens and all service sectors in Riyadh.

2- Regulating Activities of Street Vendors

Cities throughout the world struggle with the presence of street vendors, albeit to varying degrees. In Riyadh, this particular issue has three aspects. First, a large number of street vendors are non-Saudis and they are considered to be in violation of labor laws. But there are a small number of nationals who were forced to trade on the streets because of their permanent or temporary need to do so, and those are in need of help and assistance. Thence, the Municipality labored to distinguish between those two groups. Second, merchandise offered by street vendors is not devoid of violations, such as being harmful to the health of citizens, or it could be fake, prohibited, expired, or even stolen. After sales are made, it is not possible to identify sellers given that they move between different locations and there are no receipts proving purchase. Third, on many occasions, the presence of street vendors can lead to the obstruction of traffic, or they may be located right next to stores selling the same kind of merchandise, which results in an unfair competitive environment given that storeowners bear the cost of an official license as well as rent.

Given these conditions, and for the first time in the municipal sector, the Municipality decided to assist, support and encourage street vendors, by applying the principles of the humanization program. Instead of leaving them subject to persecution and confiscation, we sought to alleviate their suffering by considering the three aspects noted above. We implemented a regulatory initiative to limit the negative aspects while making sure not to impact the income generated by Saudi vendors, especially since as a low-income group, they are in dire need of help. Accordingly, the Municipality identified a number of locations which are free of charge and dedicated to vending activities. These sites are provided with services, canopies, and car

parking. And, like any other food outlet, they were subject to monitoring by municipal health inspectors.

The Municipality completed the construction of a number of these sites within the domain of respective municipal branches. A similar approach was used to deal with the issue of seasonal sales, such as livestock which takes place during Eid al-Adha when traders take to the streets to sell sheep without any kind of supervision or monitoring. However, instead of persecuting and punishing them, we offered help and assistance by assigning temporary locations equipped with all the necessary services.

3- Price Index Initiative

The Municipality felt that it needed to intervene in order to control the price of food commodities in particular, especially since they were subject to wide fluctuations whereby prices are increased without any prior warning or justification. Following the principles of humanization, which entails standing alongside citizens and ensuring that they are provided with all that is needed to make their life easier, the Municipality felt that it is its duty to actively interfere in this matter.

Accordingly, the Municipality launched the 'Food Commodity Price Index Initiative' in partnership with Riyadh's major grocery stores and supermarkets, as well as relevant authorities. Immediate action to implement the index began by holding roundtable discussions with economists, merchants, managers of storage facilities and supermarkets, and food commodity importers. The aim was to agree on the proposed mechanism, and to confirm the active participation of all stakeholders thus ensuring the success of this worthy project. In 2008, after the index had been in operation for more than two months, its official online portal was inaugurated by HRH Prince Salman bin Abdulaziz, Governor of Riyadh, at his office at the Municipality. In attendance, were the Minister of Commerce, Deputy of the Ministry of Information, Municipality Deputies, members of the Consultative Assembly, Chairmen of the Committees of the Regional Council, and lastly, CEO's of companies and institutions involved in the price index. The event was extensively covered in the local media.

The idea behind the index was quite simple, and did not require any

additional financial or administrative commitments from our end. In particular, we were heartened by the fact that citizens would appreciate such an initiative and that they will be satisfied with the availability of a reliable price list.

The Municipality identified essential food items and requested from large grocery stores to participate in the program by providing every Wednesday a list of reduced prices for these items. Subsequently, the Municipality's role was to advertise prices in newspapers and on its website. They would be valid for one week, and all participating stores were obligated to provide items at the announced price, otherwise they will be subject to a fine, or even closed down in case the violation is repeated. Thus the index resulted in a competition between stores in order to provide items at an affordable price, and the main beneficiaries were city residents.

It was customary for price indices to list prevailing as well as previous prices. However, what distinguished the municipal index, and made it different from others, is that it was concerned with the future since it obligated traders to fix their prices for the duration of one week (including an auction between shopkeepers to reduce prices in the interest of the consumer). The index helped citizens compare between prices and select the cheaper items.

The experiment was promising and it motivated the Municipality to establish a database which lists the prices of essential commodities and the changes that occur over time. Consumers also became actively involved by monitoring prices and reporting any violations to the Municipal Emergency Call Center using the dedicated hotline number (940).

Given these successes the Municipality increased the range of products included in the index to include items such as building and electric materials. Furthermore, a specialized seasonal index was introduced for the first time during the Eid al-Adha festivities. It adopted the same process applied to food commodities. Thus livestock traders were obligated to report the respective prices for sheep (and any other animal offered for sale) one week before the beginning of Eid.

The Index initiative was well received and welcomed by citizens. In addition, HRH the Governor of Riyadh explained to HRH the Interior Minister in 2008 the concept of the index and its implementation mechanisms. He

pointed out that the initiative needs to be realized in different parts of the Kingdom, because it found a receptive audience among citizens. In support of these assertions, the Index was widely praised in the media, which drew attention to the active participation of citizens who used the free hotline.

The Municipality and its dedicated team came to the realization that a successful application of humanization principles in the city requires sensing the needs and requirements of residents. This was strongly affirmed by the positive reception of the Index, and the encouragement which came from different sectors and groups. Furthermore, it highlighted the need to stand alongside citizens in order to alleviate their daily suffering. Unfortunately, however, the Price Index did not have the chance to develop further as was planned. The Ministry of Municipal and Rural Affairs did not wish for Municipalities to carry out such a task, and therefore instructed the official transfer of the Index to the Ministry of Commerce in 2010 which was celebrated in an inauguration ceremony, sponsored by the Governor of Riyadh. Unfortunately, both Ministries neither supported the initiative at the start, nor did they leave it in the hands of the Municipality in order to complete its task. And so, the light of a successful and fruitful initiative, which had the potential to further grow and shine, was extinguished.

4- Farmer's Day

Farmers are usually a weak link in the agricultural production and distribution cycle, and the profit margin for their products is quite slim. In order to resolve this situation, the Municipality felt that it had to actively interfere, while taking into account existing limitations by standing alongside Saudi farmers. To that end, we initiated the idea of finding additional non-conventional outlets that would enable farmers and distributors to market their products during a weekly 'Farmer's Day' and a yearly 'Dates Festival.'

The weekly 'Farmer's Day' was launched on April 2, 2009 and the event was inaugurated at the Northern Market in the al-Murooj district every Thursday from sun dawn till sunset. The initiative facilitated a direct interaction between farmers and consumers. Consumer turnout was high because of the abundance of high-quality products, competitive pricing and, more importantly, the fact that it was held on a Thursday (which was a day off until this changed later to Saturdays).

The success of Farmer's Day came as no surprise to the Municipality's team; however, the speed with which the idea was embraced by consumers constituted a great surprise. Calls ensued to hold the event in different locales. This prompted the Municipality to consider building a dedicated structure, which can also be used to host other periodic events such as a day for the sale of dates, used books, traditional food, arts and crafts, or photography and fine arts. The first step was the construction of a new market facility, using a traditional style, and located in close proximity to where the 'Farmer's Day' is held. Each day of the week would be dedicated to a different activity. Following an overall assessment, similar structures could then be built in locations throughout the city.

5- Dates Festivals

In 1997, the Municipality felt that given the significance and importance of the product for Saudi society, the sale and marketing of dates was not up to standards. Selling and buying in markets took place throughout scattered locales. Confused customers were neither able to find what they want in terms of quality and type, nor could they compare between different sellers. In fact, there was a complete absence of any kind of competition between traders. In addition, an informal trade proliferated, whereby street vendors would sell dates in different parts of the city. Thus, the least that could be provided by the Municipality during the season is a proper location, equipped with services for both merchants and consumers. There would also be support in the form of marketing campaigns, as well as supervision and monitoring.

This led to the 'Riyadh Date Festival' which was held from mid-December until the end of January in 1998, and was the first of its kind in the Kingdom. The following year witnessed similar events which took place in other cities. Eventually, the 'Dates Festival' turned into an annual municipal event.

The Municipality was not just satisfied with organizing a seasonal event, but aimed at creating a qualitative leap in the marketing of dates. To that end, it offered to the private sector the development of the 'Otaiga Fruit and Vegetable Market', one of the oldest in Riyadh. Further, it was keen on ensuring that the upgrade includes a dedicated section for dates, and an open area which can be used for auctioning during respective seasons. The project

was eventually designed and executed by Riyadh Lil-Taameer (Riyadh Development Company).

6- The Falcon Market

Hunting and falconry are popular pastimes in Saudi society. Dedicated markets accommodate the professional needs of falconers in addition to serving a large number of hobbyists. However, the overall conditions of the market deteriorated to an extent that is not acceptable for a city like Riyadh. A 'Falcon Market' no longer existed. Instead, sellers and buyers could be observed in Riyadh's downtown, near the Qasr al-Hokm district, moving from one sidewalk to the next, and from the shade of one tree to another.

The Municipality thus introduced an initiative which aimed at rectifying the situation. It sought to establish a permanent location for a 'Falcon Market.' Accordingly, a distinct and prominent location was selected, with an area that exceeded 7000 sqm. The unique architectural design of the market considered both the historic character of the district and the nature of the profession. The structure eventually became a popular landmark, and a source of attraction, constituting an important addition to historic buildings in the Qasr al-Hokm district. Thus, the market followed other humanizing initiatives introduced by the Municipality by highlighting that one needs to pay close attention to those who are most in need. By supporting and helping them, through the provision of an optimal work environment, one can ensure that they will thrive and perform to the best of their abilities

Humanizing Cities: An Approach Destined to Remain and Grow

A number of requirements needed to be fulfilled in order to ensure the continued success of the humanization program. They included the presence of a vision, plans, and the formation of eager teams who must be regarded as essential partners. Furthermore, partnering with the people and obtaining their feedback and reaction, will inevitably lead to a full understanding of their needs and subsequently the success of all the initiatives noted above.

The municipal sector is promising when compared to other service agencies because it is ready to seek the best. Further, it is distinguished because it aims to do more and in the most elegant way. All of this is conditioned on being content with such a distinction and doing all that is possible to utilize this advantage so that it becomes a source of strength for the sector

The large number of initiatives introduced by Riyadh Municipality does not represent the end of its aspirations. Rather they should be seen as a seed that will further grow and develop to result in outcomes which are better and more beautiful. Indeed, the Municipality aimed at sending a positive message indicating that more could be done to achieve the ambitions of city dwellers.

That is why the Municipality chose to undertake essential initiatives, and sound the alarm for the need to change the mechanisms of municipal work, especially given that much of what it has done was, until recently, not included in the agendas of Municipalities, in general.

The humanization initiative requires a new push. Its most positive outcomes and experiences need to be further implemented and expanded so that they benefit everyone in Riyadh. This is a mission for the future, and I am confident that our Nation has the qualified individuals who are perfectly able to move forward and they will do all they can to achieve this humane vision.

جائزة الأمير سلطان بن عبدالعزيز للإدارة المحلية العربية

اعترفاً وتقديراً لصاحب السمو الملكي الأمير
سلمان بن عبد العزيز أمير منطقة الرياض كأحد
أبرز رواد الإدارة المحلية في الوطن العربي.
يتم التأسيس ليكون منحته الإداري وأسلوبه
القيادي نبراساً للقيادات الإدارية المحلية
العربية الشابة.
يسر المنظمة العربية للتنمية الإدارية - جامعة
الدول العربية - إطلاق جائزة للإدارة المحلية
على مستوى الدول العربية باسم صاحب السمو
الملك الأمير سلمان بن عبد العزيز أمير
منطقة الرياض باعتباره أحد أهم القيادات
الإدارية في الحكم المحلي ومن أبرز رواد الإدارة
المحلية في المنطقة العربية.



برعاية صاحب السمو الملكي الأمير
سلمان بن عبدالعزيز
تدشين مشروع انشاء مبنى
مركز الأمير سلمان للإدارة المحلية
بجامعة الأمير سلطان



Conclusion

Visions for the Future

- **No Substitute, No Replacement, No Alternative**
- **No Substitute for a City Fund**
- **No Replacement of Municipal Privatization**
- **No Alternative for Local Management**

Visions for the Future

No Substitute, No Replacement, No Alternative

No Substitute for a City Fund

The establishment of a City Fund that would contribute to financing municipal projects and programs remained a premonition, and it is something that I always hoped to see throughout the Kingdom, especially in its larger cities. In my view, it constitutes the beginning of financial independence which would inevitably lead to administrative independence. I realized that forsaking central government financing cannot take place overnight. A single fund, even multiple ones, would not keep up with, or constitute an alternative to, generous state support for urban development throughout the Kingdom. However, I felt that this was an essential first step which would not only force Municipalities to dispense with central government funding, but would also lead to reprogramming the thinking, mechanisms and tools of municipal work, in general.

I recall a conversation with HRH the Minister of Municipal and Rural Affairs in which I expressed the willingness of Riyadh Municipality to gradually waive its budget over 10 years, on the condition that we would be able to develop our investments independently, as well as charge fees for services as we see fit. I assured the Minister that we are committed not to impact citizens financially, and also guaranteed that there will not be any complaints whatsoever. On the contrary, the Ministry will receive nothing but praise and support. I also noted that it would be appropriate to transfer the entire budget of the Municipality to small and mid-sized towns throughout the region. Riyadh would rely on its own revenues, following the issuance of regulations and incentives required to develop a balanced investment program, raising revenues and management efficiency, as well as improving services. I made it clear that the Municipality will not take any unilateral decisions when it comes to new fees and service charges, but will strive to include all other parties such as representatives of city residents, as is the case

with the High Commission for the Development of Riyadh, the Municipal Council or the Regional Council if needed.

I mentioned to HRH some examples of relevant proposals awaiting approval. For example, encouraging developers alongside Prince Mohamed bin Abdulaziz Road to increase investment in their properties without any financial involvement from our side. They have in fact been able to maximize their investment and no harm would be done if the Municipality collected a small fee in exchange for the upgrade of services. This would enable us to implement similar measures in other parts of the city, especially since many owners expressed their desire and willingness to collaborate with the Municipality in case their respective streets are upgraded as well. Further, I pointed out to HRH that our proposal to collect a percentage of real estate sales fees would represent a continuous revenue stream for the Municipality. Similarly, we proposed an upgraded building system that would allow an increase in the number of stories alongside some major roads, in exchange for sharing a percentage of financial returns between the Municipality and the investor. Businessmen were satisfied with such an approach following official discussions with them and the Chamber of Commerce. Those are all practical tools for financing the City Fund, and there are many others, which would enable us to pursue an independent and sustainable path. Accordingly, the development of our cities would not be hindered or stalled due to budgetary fluctuations

It is a new and different ideology that diverges from what prevailed in Municipalities. With such an attitude cities are able to move forward, confident in their ability to pursue an independent path and carrying out tasks that will improve and enhance urban development. It is a progressive vision for the future of our large cities. At the same time, it supports reducing the financial burden on the Central Government, so that freed-up resources could be directed to the development of small and mid-sized towns, thus assuring an overall balanced approach.

Independence and sustainability are two urgent requirements for the municipal sector. Financial and administrative independence pertains to decisions to develop resources and special investments, in addition to spending on programs and initiatives. Sustainability applies to implemented programs and initiatives and the capacity to continue to meet the needs of

citizens. The Municipality also aimed at expanding the range of services so as to take into account the city's continuous urban growth. Many initiatives and proposals to establish good and qualitative programs were set in motion to improve the efficiency of municipal management and performance, and reduce financial and human costs without adding any financial burdens to citizens. Unfortunately, the Municipality was forced in many instances to bow to the illogical dictates of the Central Administration and the Ministry of Finance, requiring us to forsake some of these initiatives. We had no choice in the matter, and thus accepted some of these limitations rather than abandoning all of our proposals.

In spite of what the Municipality attempted to improve the quality of its services, we were substantively hampered and unable to sustain a durable process given the centrality of the Ministry of Municipal and Rural Affairs, and the final say of the Ministry of Finance in endorsing budgets. We thus had no choice but to cope with, and accept, this situation, hoping that the administrative and regulatory capacity of the municipal sector will eventually change. Accordingly, the relationship with the Ministry of Municipal and Rural Affairs would be reconstituted and financial decisions are then taken independently from the Ministry of Finance. In turn we would be able to diversify revenue sources and grow our respective investments, as well as launch new ideas which are not put down, altered or cancelled. Eventually this will lead to a deserved independence without which cities will not prosper properly. Therefore, in order to attain this expanded and broad vision, there is no choice but to establish the City Fund. The Municipality would be able through this fund to maximize its investments, and ensure the continuous financing of its programs and initiatives. Furthermore, the Fund will allow the Municipality to take advantage of numerous lost opportunities which have been typically overlooked by the sector because of its complete reliance and dependence on the Central Government and what is decided by officials.

Our understanding of the City Fund transcends the common view among those in charge of municipal affairs which is limited to generating revenues through conventional fees, borne by citizens requesting services. Instead our vision starts by thinking about new investment initiatives as a source of revenue for the fund. This will not impact citizens at all, but rather improves the level of provided services. Furthermore, the Fund will enable sustainability sought by the Municipality since it results in a dependable

income stream. In addition, there are also new opportunities by partnering with the private sector, such as real estate developers and investors, which will allow the Municipality to further gain financial independence. And in an added bonus, any additional costs or losses are borne by a party other than the Municipality or citizens, which is particularly relevant since some investors gain a lot without exerting any substantive efforts thus forcing the Municipality to deal with economic and administrative repercussions for such a state of affairs. With that in mind it is our genuine belief that municipal decisions must have a strong financial and regulatory backing.

To put this differently, we saw in previous chapters, while detailing some of our initiatives, that there was no imposition of fees on citizens, investors or developers. Instead, partners were given additional benefits in exchange for a monetary compensation. And, they had the option to accept, refuse or continue with the status quo. An example for lost opportunities, is that the Municipality sometimes responded to requests by investors and developers to change building regulations in their favor. In this way they were able to increase revenues without any kind of payback to the Municipality, which was left in fact with an increased financial and administrative burden.

Our conviction was that we had to take advantage of, and capitalize on, these opportunities by establishing a City Fund. This would lead to real independence, continuity, and facilitate the development of municipal work from an administrative and organizational perspective in order to benefit the city and its inhabitants. Thus, the Municipality continued to propose new ideas and initiatives to seize lost opportunities with the aim of maximizing its financial, organizational and administrative gains. For example, by collecting a fee from each property transaction, the Municipality would be assured a dependable and continuous source of revenue. This could be deducted from the brokerage fee which is usually allocated to real estate agents. The fee constitutes 2.5% from the total sales amount and the municipal share would be half of that percentage, i.e. 1.25%. It is a small amount which is not particularly burdensome to owners, and it would result in a continuous revenue stream for the Fund. Such a fee can be justified on the grounds that it is collected in exchange for the provision of numerous services such as land surveys, infrastructure construction, etc. The beauty of the proposal is that the fee is quite easy to collect, especially given that both buyer and seller have sufficient financial liquidity. The returns of that deducted fee,

as well as from other proposed sources to finance the Fund, independent of the Municipalities' budget, would finance its various programs, initiatives and projects. The latter would preside over the Fund in conjunction with the Governorate of Riyadh, the Ar-Riyadh Development Authority, the Ministry of Finance and other concerned agencies such as Regional or Municipal Councils, or both.

The proposed Fund was, and still is, considered by many citizens and investors to be an elegant solution when compared to other financing options, especially since it could have been implemented in phases with a gradual diversification of revenue sources. The hope was that it would have made a positive impact on the municipal development sector, especially in Riyadh. Unfortunately, our efforts in reaping benefits from lost opportunities, as well as securing municipal ownership rights in the city, were not listened to, nor were they received with an open heart. Instead we faced rejection and in many instances condemnation.

I still see the relevance and necessity for establishing a City Fund, and I look forward to its implementation, so that it becomes a first step towards the achievement of municipal independence. I believe that the opportunity is now ripe to set-up the Fund and to adopt other initiatives and proposals which had been previously introduced. Especially since we are currently living under the strategic framework of Vision 2030 with its call for comprehensive development in all areas, and the encouragement of new ideas and initiatives seeking to overcome a stifling bureaucracy.

No Replacement of Municipal Privatization

‘Municipal Privatization’ is indispensable and is a term which I intentionally coined so as to distinguish it from other forms of privatization, since it does not prioritize financial profits. While such profits are significant, they are overshadowed in the face of gains in services and social benefits, as well as obtaining the satisfaction of residents by not imposing restrictions in the form of added fees and so forth. That said, Municipalities are prepared to relinquish some of their profits in favor of achieving other priorities. It is a privatization that enables building bridges of partnership with the private sector, whereby the Municipality retains an ample share of decision making as well as being able to achieve social and economic benefits which are maximized with the passage of time. It is a partnership in which the Municipality is able to assert its social responsibility in programs and projects by monitoring, supervising and following up on their execution. As for the private sector, it is a partner in management with its expertise and specialized knowledge in a way that would ensure competitiveness, quality, and localization of expertise and knowledge transfer.

It is a balanced privatization which adopts an approach that differs from what is prevalent, and is not restricted to merely transferring the responsibility of providing some services to the private sector in exchange for a monetary transaction, paid from one party to another. Rather, it is a model that incorporates the positive aspects of both the public and private sector, and where the two share risks and gains. It is a close partnership, akin to a merger. Furthermore, it is a partnership which fulfills the desire of Municipalities to reduce the size of its administrative staff, raise the efficiency of its management, maximize investments and boost revenues. At the same time, the sector would be able to cover the cost of its projects, thus ensuring their sustainability and quality. Through such a partnership the private sector, given its independence and flexibility, will be able to get involved in new municipal activities and sometimes achieve high revenues and profits. It will build on, and further refine the expertise of the Municipality thus maximizing benefits, improve its activities and develop partnerships with international experts.

Unfortunately, most discussions about the role of the private sector in development throughout the Kingdom, are highly exaggerated, and not based on an actual experience. Some even went so far as to claim that only the

private sector has a magical solution for all problems that exist in the State's numerous service agencies. The truth of the matter is that the reality is not as rosy and bright as implied by many, especially when it comes to the municipal sector and the provision of public services.

The dilemma exists on both sides. On the one hand, the municipal sector is unable, unprepared and lacks the requisite expertise for managing affairs requiring the 'spirit' of private projects: a customer service concept, maximization of returns, branding products, and improving the 'mental image' of the institution. Additionally, there is a weak contractual experience with other parties. On the other hand, the private sector is entirely focused on maximizing profitability, while not paying attention to social and developmental dimensions which govern the overall policy framework of Municipalities. Added to that is the absence of a truly qualified private sector with sufficient experience in local urban governance as is the case in advanced countries.

The Government thus needs to take the initiative by partnering with public or semi-public institutions in order to establish a private sector that is able to be engaged in municipal affairs. In this case, the Government is the founder and a main partner that guarantees profitability. Further, establishing a solid foundation ensures that the sector starts on the right path and is pushed towards success. An example of note is what the Municipality started by activating a partnership with the Ma'aqliya Company, thus significantly expanding its scope of work. In other words, it is a partnership with a private sector where a governmental institution such as the General Organization for Social Insurance or the Public Pension Agency have a significant share. It is a private sector that is sponsored and supported by the Government which contributes towards deepening its knowledge and experience, and facilitates its engagement with international counterparts. It is a private sector which senses real governmental support in its contractual relationship, secure in the knowledge that it is treated as a real partner.

What I am calling for is a formulation of a new, equal and balanced partnership between the municipal and private sectors where everyone benefits. Such a partnership marks a radical transformation in municipal work, and sets an example for future initiatives. In this way, the Municipality increases and enhances its benefits by forming a relationship with private sector companies.

That kind of partnership also raises the level of administering and managing public service projects. Accordingly, the Municipality would acquire active investment, administrative and service 'arms' which are able to play a prominent role in developing, operating and investing in the city's service facilities. This would also significantly enhance the efforts of Municipalities in increasing its sources of revenue and support its approach towards greater financial and administrative independence.

The Government has to assume a greater role and responsibility for establishing and supporting balanced privatization. Indeed, many programs in the municipal sector (with the exception of traditional programs) are still emerging and cannot be relied on for any kind of future development. For the most part, they are partnerships with small start-up enterprises, represented by individuals, who are not necessarily trustworthy. So where could one find a private sector able to operate used items and livestock markets, administer public transportation centers and car auctions, or even be in charge of municipal permits as well as monitoring health control? For decades, many conventional municipal activities have been managed by governmental departments which have prevented the involvement of the private sector. Accordingly, they remained under the umbrella of the public sector which wasted many opportunities that could have been developed and upgraded to generate new revenues for the municipal sector. Much of what is considered a private sector is quite inexperienced and engages in different public initiatives with great caution, always seeking profits first at the expense of service quality. It is therefore more feasible for the Government to set-up, support and develop an effective private sector given its pioneering experiences in this area. Examples include establishing Aramco and Sabic, as well as Electricity and Telecommunication companies. In the beginning, these enterprises were considered as emerging industries requiring patronage and support. Sometimes, their profitability needed to be guaranteed. They were thus able to develop themselves further. Moreover, they collaborated with international partners which facilitated the transfer of knowledge and technical know-how in order to train the young men and women of our Nation

It is crucial to find a participatory formula which sets a unified framework for action by benefiting from the private sectors' momentum, incentives, and ability to develop investments, and realize the social and developmental aspects sought by the State. It is a formula which is predicated on a public

service sector that understands and absorbs a business management approach, and a strong and experienced private sector able to operate and develop municipal services independently. Both require the support of the government in order to carry out these tasks.

This partnership would constitute a path of common interest in investment and work for both parties. It proposes a new vision which transcends a rigid bureaucracy that pervades the hallways of Municipalities, where the private sector is regarded with suspicion, and their contributions are a kind of ‘charity’. But there are also practices in the private sector which need to be overcome. Specifically, a pervasive view which looks at public investment projects solely in terms of economic opportunities as well as conceiving of municipal contracts as a kind of free reward. Such exploitative practices take place without any financial compensation, or even in exchange for a nominal amount. They also do not take into account the aims and objectives of public institutions which they have partnered with. Yes, the private sector aims primarily at maximizing its investments as much as possible, and there is no harm in that. However, it must be committed to understanding and comprehending that the public sector has a social responsibility and is devoted to the quality and uninterrupted provision of services. All of this requires a new partnership approach and balanced privatization.

I have witnessed, through my experience as both a researcher and an official in urban affairs, numerous experiences carried out by both the private and municipal sectors. Most of them either failed or were quickly shut down. Those that were successful did not have an equitable distribution of income among partners. The private sector continues to be the party that is able to take full advantage of project revenues while offering little in return. Further, it has the ability to completely exploit Municipalities, by not respecting their obligations in terms of the quality of services or providing expected financial returns.

In previous chapters, we have seen how the partnership between Riyadh Municipality and the Ma’aqliya Company marked a promising turning point in municipal work. This partnership enabled the private sector to be fully involved in the implementation and administration of public service projects. But it also provided the administrative apparatus with a significant investment, administrative and service arm. This aids the Municipality in its

momentous tasks by speeding up the development and operation of service centers throughout the city. There were also assurances that the Municipality will retain its leadership position and will continue to maintain its ability to make decisions, outline policies guiding the implementation of current and future projects.

I believe that we need to count on this initiative and many others like it. I think that if that approach is adopted and propagated across all the different service sectors, we will notice an immediate and tangible improvement in municipal performance. Furthermore, once the burden and responsibility of establishing and operating services is transferred to partnering companies, Municipalities will be able to return to their original role, namely setting strategies, supervising, monitoring, and directing urban development. Service projects will be implemented in keeping with the highest possible standards, utilizing the best management approaches, according to partnerships which are committed to the public good and the satisfaction of all citizens.

No doubt, the experience of partnering with the Ma'aqliya Company constitutes a model that must be supported, not just because it needs to be kept and developed further, but also so that it can be repeated, copied and expanded. It is an actual experiment that demonstrates the potential of a serious partnership, one that is fully committed to developmental objectives. Similar partnerships could be established with 10 or 20 companies concerned with different municipal activities and with similar partnerships. For instance, Riyadh Municipality could establish a company dedicated to health control; another may monitor construction, while there could be a venture dedicated to the operation and administration of public markets. Other companies might be engaged in the approval of land subdivision plans, including land surveys and building permits, while another company could administer municipal resources and investments. These are all promising companies which will be further developed once they have been established. The work culture in the municipal sector will thus be transformed and become more developed and effective. Once the success of these companies has been confirmed they could be offered for public subscription and listed on the financial market. Thus, the residents of Riyadh will become partial owners of utility and service companies, and will indirectly have the right to participate in decisions pertaining to the urban development and growth of their city.

Based on what I have called balanced privatization, the Municipality

will engage in a balanced partnership which will achieve the difficult formula of raising revenues and minimizing expenses, while at the same time providing high quality services. In parallel, and by improving its management, maintenance and operations, the Municipality will be able to enhance the value of its assets, and achieve a high level of resident satisfaction, without them having to bear the burden of any additional expenses.

No Alternative for Local Management

The foregoing is not considered to be theoretical or merely a wish-list. Indeed, a large part of what was mentioned has either been implemented or is under consideration. It is a realization of previous directives and initiatives whose seeds were planted by King Salman bin Abdulaziz when he was Governor of Riyadh. Fortunately, they also were in accordance with the Kingdom's Vision 2030 which is led by the Custodian of the Two Holy Mosques, HRH Mohamed bin Salman, Crown Prince and Deputy Prime Minister. It includes programs such as upgrading living standards throughout the Kingdom, as well as improving the standing of some cities so that they are included among the top 100 worldwide. These are major transformative national programs, among many that promise a lot of good for the Kingdom and its citizens. HRH the Crown Prince strives towards the rapid achievement of this vision depending on the seriousness and determination of young people. He is quite aware of its positive repercussions that will speed-up developmental programs throughout the Kingdom, making its cities occupy their natural place among the most livable in the world, and be the most capable at confronting, and coping with future challenges.

It is important to follow the 'Salman Approach' in managing the city and the region, crown previous efforts and support that approach and expedite pushing local administration towards decentralization, as well as financial and managerial independence. Those initiatives and directives should be scrutinized, analyzed, discussed and developed so that urgent mechanisms are established leading to consolidation and implementation.

In 2011, Riyadh Municipality prepared its Long Term Strategic Plan (2012-2020) titled 'Riyadh: The Person and Place' which aimed to develop its performance to serve city residents, while taking into consideration rapid urban growth. The strategic vision was founded on the Municipality's aspiration to become a role model and a reference for effective local administration. The humane approach of the vision confirmed that the Municipality has underscored the maximum importance of the people in its approach to development. The strategic vision encompassed a call for expanding the capacity of the Municipality to achieve financial and administrative independence, and develop a properly formulated legislative and regulatory framework. The strategic plan can be reviewed in detail in the document that has been published by the Municipality.

We had aspirations to modernize and develop the Municipality's organizational structure, provide effective human resources, and achieve sufficient growth in financial revenues. Moreover, we sought to update our technical capacities and provide services that exceed the expectations of beneficiaries, in addition to actively contributing to sustainable development. This futuristic vision was reliant on a long term strategic plan which would result in a qualitative leap mirroring what the Kingdom is witnessing in terms of its comprehensive modern development. All of this is accompanied by the implementation of numerous municipal projects.

The strategic plan covered a set of execution phases which included comparative studies, and a review of best practices in municipal work in similar international and regional settings so as to derive lessons. Comparisons with eight cities were conducted according to the legislative framework for municipal work, the governance framework and model, municipal independence, institutional development, performance evaluation, crisis and disaster management, human resources, financial management, local sustainable development technical performance, partnership with local society, and rapid urban growth.

The plan identified key strategic issues which emerged from an analysis of the gap between reality and hope, and derived factors for success. Those included decentralizing municipal decision-making, municipal administrative regulations, the organization and institutional structure of the Municipality, diversification of financial resources, the technical set up, and partnership with the private sector. Other issues include human resources development, the relationship with relevant government agencies, beneficiaries' satisfaction with municipal services, citizens' active participation in the provision of municipal services, the effective contribution to the achievement of Riyadh's economic and social development, and the indispensability of local management to upgrade the municipal sector.

Generally speaking, the municipal sector is quite distinguished given that it provides numerous services which have a direct impact on people's everyday affairs. Furthermore, the sector influences their quality of life and the extent by which they interact with their respective social and urban context. Four municipal characteristics stand out. First, its modus operandi and organizational structure which is based, at least theoretically,

on administrative and financial independence. Second, is the widespread geographical distribution of Municipalities in the Kingdom and the active presence in the field. Third, its monopoly over public participation in decision making through regulated mechanisms in municipal councils, where half of the members are elected. The fourth factor is unique to the city of Riyadh, given the initiation, scale and implementation mechanism which established a department for female affairs, run by a staff of a local, qualified and trained female employees numbering more than 600. All four of these factors work in tandem to distinguish the municipal sector, while highlighting the importance of attending to its development and advancement.

My focus here is on what the Municipality accomplished in terms of initiatives, projects and developmental plans during my mayoralty (1997-2012), some of which were mentioned in my book “Enhancing the Human Dimension,” while others were reviewed in media articles. Upcoming writings and books will further elaborate on these efforts. Launching such initiatives, programs and projects, and ensuring their continued success required laying out a comprehensive vision for the goals and plans that guarantee the mechanisms for achieving these goals. It also necessitated forming motivated work teams, considering them as essential partners, and building partnerships with residents given that they are among the main beneficiaries. None of this is mentioned so that those in charge of the Municipality may receive accolades. Rather, the aim is to highlight what can be realized if the principles of local management are implemented in administering municipal affairs.

The Municipality’s attempts to emulate the unofficial local management approach were supported by HRH Prince Salman bin Abdulaziz, Governor of Riyadh. He had a clear and direct message, namely, that the municipal sector had the potential to do a lot in order to reach the high aspiration levels of the population, and is capable of moving to wider horizons in other Municipalities. He was keen on pointing out the urgency of changing the nature of municipal work, because he realized that many of the initiatives at the time were generally not on the agenda of Municipalities.

For example, the ‘Reconstitution of Wadi Sulai’ project, especially the part that is located inside the city would not have been realized, and put back on Riyadh’s geographical and environmental map, after it had been forgotten,

if it were not for the intervention of the Municipality and the support of HH. The same is true for Eid and national celebrations, Municipal Plazas, King Salman Science Oases in residential neighborhoods, Open Parks and Mega Parks. At the time, the Municipality was also able to issue instant building permits, and to restructure sanitation contracts, which became decentralized and involved a variety of contracts instead of one contract. And there are many other examples: the structural and substantial change of companies like the Ma'aqliya company; the emergence of comprehensive development schemes such as al-Qasr; the growth and variety of humanization programs and initiatives; the redrawing of the boundaries of sub-municipal districts; the unification of the domain of various services; launching the construction of administrative centers for municipal branches; and an increase in resident satisfaction with municipal services. None of that would have been possible without the Municipality's persistent efforts and HH's support. This leads to an important question: how can we envision our urban reality if the Municipality officially adopted and institutionalized a local governance approach, guiding the development and administration of the city?

The answer, in short, is very clear, as soon as Riyadh Municipality went for a local management approach it was able, in spite of the presence of obstacles, to overcome part of its challenges and surpass its municipal counterparts. Further, what has been mentioned above is a selection of successful examples by which the Municipality has proven that it is capable of distinctive achievements, and has the ability to propose qualitative initiatives. It also raised its voice urging administrative and financial change in municipal work procedures and expediting the adoption of local management in our cities. That would enable Municipalities to undertake their tasks to cope with the increasing, varied, and changing demands of city residents in the Kingdom, and broaden the scope for Municipalities and city administrations to launch more initiatives, programs and projects which are necessary to uplift Saudi cities.

The truth is that the above can only be achieved by thinking out of the box and away from conventional municipal rationale, through an honest and persistent invocation of financial and administrative independence without directly burdening the citizen. There are numerous ways in which this can be achieved. Also, municipal councils require an honest re-evaluation to enable them to practice real public participation in the decision-making

process. Indeed, and in spite of what many municipal officials may think, these councils have the potential to become a main pillar of municipal work, a distinguished asset and a source of qualitative strength which employees in other service sectors lack.

Experiencing these programs and projects was daunting for the Municipality. However, it was also a happy one for me, municipal employees and many of our partners. The journey is long and work has not been completed yet. In spite of all the achievements, what remains is promising, better, and more beautiful. Our experience has shown that it is possible to continue without stopping. There are many more initiatives which need to be implemented in different locations, others are in their initial stages and require continuous support, there a few that are still ideas on paper, and more are in the agendas of some of the municipal staff. The municipal sector, in general, and Riyadh Municipality's men and women in particular, are quite prolific in the generation of new ideas and development initiatives. There is a new spirit in its hallways, one that is eager for initiatives and is ready to confront any challenges so as to serve city residents, contribute to their happiness, and create conditions leading to a better life.

A renewed new push is needed to restructure the management of cities and the municipal sector, in particular, based on adopting the local management of cities whereby Municipalities have full administrative and financial independence, and residents are able to participate in decisions pertaining to the development of their city through developed municipal councils. Accordingly, Municipalities would truly represent citizens in managing the development of their cities, investing in its assets, and selecting the most appropriate way for spending.

This is a mission for the future, and I realize that our nation has the capable cadres who will do all they can to accomplish these aims. Its realization will require setting broad lines for a roadmap, not only for the municipal sector, but also for administering regions and governorates. Below is a preliminary outline for a proposed roadmap, which is comprised of several levels.

Level 1:

This level falls under the responsibilities of the leadership and what it deems to be appropriate and in line with the Kingdom's 2030 vision. I propose that this level should be comprised of two options.

Option 1:

Restructuring the administrative and institutional frameworks of the Ministry of Municipal and Rural Affairs (MOMRA), while focusing on the necessity for the financial and administrative independence of Municipalities that would enable them to compete. They need more legislative leeway that would respect regional variations, be it geographical, economic, social and urban, as reflected in respective building and local urban planning regulations, as well as municipal investments and partnerships. Under this option, the role of MOMRA would be restricted to supervision, monitoring, coordination and the propagation of successful practices between Municipalities. It would also be a supporting partner and coordinator for Municipalities with regards to legislation.

Option 2:

Merging MOMRA with the Ministry of the Interior as was the case before. It could be renamed the 'Ministry of Local Management.' There are many justifications in support of such a proposal especially since there is a large overlap between these two ministries. Originally, MOMRA was part of the Ministry of Interior, and they continue to maintain a mutually beneficial relationship. Based on my experience, Municipalities are not able to operate without receiving the full support of Governors, and being in complete harmony with their respective directives which is supposed to represent the mandates of the Ministry of Interior and higher leadership since the Governor is a representative of the King in his respective region and is also Head of the Regional Council. The municipal sector continues to be of importance for the region and it's Governor, especially since it is considered as a main investment and development arm. Accordingly, it needs to be strongly connected to the Governor, and not only rely on communication, coordination and mediation.

Merging these two Ministries serves both parties and the higher interests

of the region, as well as its cities and inhabitants. Such an approach is further supported by the fact that the Ministry of Interior has already been restructured to focus on cities and governorates. This will facilitate the merger, and greatly aid the work of Governors and Mayors. Governors will thus have two major and important arms, which are crucial for their ability to work. The first concerns security, provided by the presence of a security apparatus comprised of a police force and other relevant agencies. The second is a developmental arm represented by the Municipality, its sub-branches, and other service departments. Accordingly, the 'Ministry of Local Management' would then be able to devote its efforts to supervision, monitoring, development and coordination, while leaving daily executive affairs to the local administrative departments headed by the Governor in coordination with members of the Regional Council.

Level 2:

This level involves restructuring and reorganizing the administrative framework of respective governorates, and activating the role of the Governor as a representative of the King in his region. It also necessitates rearranging the relationship with different governmental agencies including other Municipalities, as well as Regional and Municipal Councils. Development of the work of Governorates should be considered so that they attain financial and administrative independence. The Governor should be at the top of an administrative hierarchy and bears full responsibility for any decisions related to his region, aided by a council which is similar in its structure to the Ar-Riyadh Development Authority. The council would be akin to a miniature cabinet (respective representatives in charge of services such as education and health would be promoted to a level equivalent to Deputy Ministers). There are also elected members from Regional Councils, Municipalities and Governorates, acting as independent representatives for the region's residents. Lastly, the council, headed by the Governor, has the authority to determine the region's budget, expenditure and sources of revenue, in addition to what is allocated to it by the Ministry of Finance.

Level 3:

This level entails a complete overhaul of the Municipalities' administrative

and institutional framework, and a re-engineering of its relationship with MOMRA, or the 'Ministry of Local Governance' (according to the options discussed above). This also applies to sub-municipalities and their association with the main office so as to guarantee financial, administrative and decision making independence. Their principal point of reference would be the Regional Council, or what may be labeled as the Cabinet of 'Deputy Ministers', which is headed by the Governor. The status of the municipal and regional councils and the extent to which they are involved in municipal work, independently and professionally, should be reconsidered to become a true venue for public participation and its role should not just be restricted to municipal issues. Instead, they have to be involved in other service sectors, playing an active role, and guiding developmental decisions pertaining to the city and region.

The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, as an ex-Governor of Riyadh supported municipal council elections. He offered a valid opinion, which was raised to higher authorities; calling for the urgent need to restructure municipal councils so as to expand the range of their responsibilities to cover all service sectors in the city, and not just be limited to municipal services.

Level 4:

This level is concerned with drawing institutional frameworks, geographical boundaries, and hierarchical divisions, starting from regions, to governorates and cities, followed by districts. For example, Riyadh comprises the whole region and its current Governorates. However, the city itself could be subdivided by converting its sub-municipalities into independent governorates. Their respective Governors would be connected to the Governor of the region. Heads of its Municipalities would fall under the authority of the region's Mayor, while the second tier governorate centers would be linked to Governors as is currently the case.

What has been said above about the roadmap, and the levels of structuring administrative institutions, can be summarized by noting that the main aim is to give regions doses of financial and administrative independence, in addition to supporting them so that they operate as a local administration. They should be allocated respective budgets, and it would

be up to the Governors and municipal councils to allocate expenses as they see fit. They should be free to develop and expand their sources of revenue, especially since regions in the Kingdom vary in terms of their potential and capabilities and cannot be treated as one and the same. Such an arrangement would allow regional Governors to launch numerous developmental projects. With the support of their regional councils, they will be better equipped to respond to local requirements of their respective regions and its inhabitants. Moreover, the burden of planning, implementing, and supervising projects will be transferred to local authorities. Concerned Ministries would thus be able to devote their efforts to supervising, monitoring and development, and extend a helping hand to administrative agencies in their particular regions.

What has been proposed in this conclusion as a roadmap to develop the management of our cities did not emerge in vacuum. Rather, it was based on an extensive theoretical and practical experience. It follows studying and evaluating more than two decades worth of municipal initiatives, all of which were supported by HRH Salman, Governor of Riyadh. The main advantage of all these initiatives is that they were based on local needs. Ideas were inspired by daily field work, as we detected their potential and promise for further development. In some instances, we were faced with a problem, for which we had to propose solutions that accommodated the aspirations of city residents and showed the weakness of our reality. At the time, we were quick to relay our observations to higher authorities, propose innovative visions and unusual solutions in order to solve these problems. We aimed with all seriousness and diligence to support such initiatives and to obtain approval for the approach that we chose, while understanding the pressures our officials were facing and the various problems they had to deal with, given the presence of contradictory visions and plans. We voiced our reservations, while highlighting the effectiveness and benevolence of what we proposed for effective urban management.

In conclusion, those who are familiar with the wisdom and extensive development experience of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, will also be aware of the resilience and tenacity of HRH, Crown Prince Mohamed bin Salman, and his youthful ambitions in order to realize the King's vision of advancing the Kingdom in all aspects of life. One cannot help but be overwhelmed with happiness, and filled with optimism and reassurances, while following the unprecedented development

efforts carried out on a daily basis by HRH, the Crown Prince. He is implementing new and courageous ideas, realized by the sons and daughters of our Kingdom. As someone who was deeply involved in municipal affairs and local governance, I am certain that what is being done by the Crown Prince will result in a more beautiful and brighter future for our cities, and that the citizens of the Kingdom will enjoy a happy and comfortable life. Together with leading global societies, they will shape a better future for their countries and the world.

