

# MUNICIPAL AFFAIRS

## 32.1 INTRODUCTION

Under the Eighth Development Plan, municipal services improved substantially. The progress achieved is attributable to the financial support received by the municipal sector, the importance attached by the state to achieving significant expansion of public services and facilities in Saudi cities and villages, and the development of the technical and administrative capabilities of the municipal agencies. These factors led to improved municipal work and services, which, in turn, enhanced regionally balanced development opportunities.

With half the members of municipal councils elected, community participation in municipal efforts was one of the main achievements. In addition, Amanats (principalities) were formed in every region, to which local municipalities report, and implementation of a strategy for privatizing municipal activities and services was commenced.

The Ninth Development Plan aims at : expanding the coverage of municipal services; continuing to implement the National Spatial Strategy; reducing regional disparities in service coverage by establishing new municipal agencies and supporting existing ones; and continuing to develop and raise the technical and human capacity of municipal agencies. Moreover, the Plan attaches importance to : enhancing the financial revenues of municipalities; continuing restructuring and institutional development; privatizing activities when and if economically and socially feasible, doubling the waste-recycling capacity and improving its management; enhancing the efficiency of environmental health programmes and projects; and maintaining public health and safety.

This chapter reviews the current conditions of the municipal sector, including the developments that took place during the Eighth Development Plan. It also reviews key issues and challenges that need to be addressed under the Ninth Development Plan, assesses projected

demand, and presents the future vision, the objectives, policies and targets set for the sector under the Ninth Plan.

## 32.2 CURRENT CONDITIONS

### 32.2.1 Improving the Living and Environmental Conditions of the Population and Achieving Regionally Balanced Development

Enhancing the financial allocations for the municipal sector during the Eighth Development Plan (whether through Chapter IV of the state budget or through budget surplus projects) had a significant impact on achieving clear progress. Municipal services and projects met the specified targets by rates ranging between 100% and 101% (Table 32.1). All regions, especially those that were experiencing a shortage of services in the past, developed and updated their municipal services (Table 32.2).

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These developments resulted in a marked improvement in coverage of municipal services in all administrative regions, as well as in improvements of the proportion of population covered by municipal services.

**Table 32.1**  
**Targeted and Implemented Municipal Services Projects**  
**Eighth Development Plan**

Municipal Service	Number of Targeted Projects	Number of Implemented Projects	Achievement to Target (%)
Planning Studies	520	525	101.0
Storm Water Drainage	1400	1403	100.2
Roads and Streets	4800	4840	100.8
Gardens and Parks	410	415	101.2
Markets	160	161	100.6
Municipal Buildings	520	528	101.5
Environmental Health	560	568	101.4
Public Utilities	440	446	101.4
Enhancement of Municipal Performance	120	120	100.0
Expropriation	145	145	100.0

*Source: MOMRA Budgets and Follow-up Reports.*

**Table 32.2**  
**Approved Municipal Services Projects in Regions**  
**Eighth Development Plan**

Region	Planning Studies	Storm Water Drainage	Enhance Municipal Performance	Roads and Streets	Gardens and Parks	Markets	Municipal Buildings	Environmental Health	Public Utilities	Expropriation
Riyadh	134	294	20	998	97	50	129	88	52	36
Makkah	61	161	11	482	33	7	46	55	56	17
Madinah	13	91	5	349	29	2	26	43	26	8
Qassim	3	91	1	429	37	25	63	55	23	14
Eastern Region	20	104	14	449	49	11	44	75	35	7
Asir	27	158	16	577	37	18	72	44	96	17
Tabuk	9	59	1	219	16	2	13	20	15	3
Hail	12	71	2	304	14	15	25	34	25	3
Northern Borders	2	60	4	139	16	2	17	23	10	1
Jazan	18	121	7	374	40	14	32	63	38	21
Najran	9	58	3	132	19	5	16	21	20	1
Baha	16	59	7	202	16	9	19	27	30	8
Jawf	8	53	4	176	12	1	16	17	12	9
Various regions (Cabinet Office)	193	23	25	10	0	0	10	3	8	0
<b>Total</b>	<b>525</b>	<b>1403</b>	<b>120</b>	<b>4840</b>	<b>415</b>	<b>161</b>	<b>528</b>	<b>568</b>	<b>446</b>	<b>145</b>

*Source: MOMRA Budgets and Follow-up Reports.*

Government efforts directed towards improving less developed regions resulted in reducing discrepancies among regions in relation to availability of municipal, public services, and infrastructure, which are prerequisites for balanced economic and social development.

### **32.2.2 Operational Efficiency of Municipal Facilities and Services**

Under the Eighth Development Plan, the capacity of *Amanat* and municipalities in all regions was enhanced by providing them with additional municipal buildings and computer and electronic-network services. The Ministry of Municipal and Rural Affairs (MOMRA) launched its website, through which it provides researchers and applicants with various data and information, and provides citizens with electronic forms to fill directly online.

Under the Eighth Plan, a programme designed to promote health control was implemented, and the process of obtaining licences from *Amanat* and municipalities was facilitated. Efforts to develop an electronic network for municipal affairs continued, with the aim of linking all related agencies and facilities through a consolidated network for information exchange and work coordination. In addition, a municipal database and information base were completed.

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While there were some improvements in the indicators for this sector, continued development, modernization and improvement of municipal services remain contingent upon availability of skilled, qualified manpower. The sector implemented a broad programme for training and scholarships that covered large numbers of employees from all municipal agencies.

### **32.2.3 Private Sector Role in Providing Municipal Facilities and Services**

During the Eighth Development Plan, the framework for the privatization strategy of municipal services and activities was approved and a procedures manual was issued, setting priorities and standards; primarily economic and social feasibility and willingness of the private sector and its ability to implement services in the regions. To implement this approach, an inventory of 141 services and activities provided by the municipal agencies was compiled, and determination of their priorities and implementation programmes is currently underway.

Among the activities targeted for privatization are: slaughterhouses, vegetables and fruits markets, operation of public gardens and parks, municipal transport services, collection of municipal revenues, cleaning services, waste management, and management of investment in municipal properties. Privatization of some municipal activities began, according to a predetermined implementation plan.

#### **32.2.4 Protecting the Environment and Promoting Sustainable Urban Development**

During the Eighth Development Plan, municipal environmental health services doubled. Such services include: sanitation facilities and services, waste treatment of various kinds, environmental health laboratories, drying out of swamps and spraying pesticides, plans to combat epidemics, such as Dengue fever, and establishment of manual and automated slaughterhouses, and quarantine centres. During the Eighth Plan, the percentage of recycled waste went up from 20% to 35%.

#### **32.2.5 Institutional and Organizational Development**

During the Eighth Development Plan, which aimed at promoting the participation and enhancing the efficiency of local administrations, the municipal sector achieved significant institutional and organizational development. The shift towards administrative decentralization was strengthened through expanding the participation of citizens in the management of local affairs and electing half the members of municipal councils, as well as through establishing of regional principalities (*Amanat*), to which local municipalities report.

Municipal services and their geographical coverage improved. A number of new municipalities and village clusters were created, and a number of existing ones were upgraded. Council of Ministers Resolution No. 214 of 2009 abolished village clusters as an organizational form, and upgraded 44 of them to category D municipalities. It also expanded the classification of municipalities to five categories (A, B, C, D, E) and converted the remaining village

clusters to category E municipalities. Council of Ministers Resolution No. 284 of 2009 upgraded the municipalities of Al-Taif and Al-Hasa Governorate to *Amanat*. Thus, by the end of the Eighth Development Plan, there were 241 municipal agencies, up from 178 at the end of the Seventh Plan (Table 32.3). Table 32.4 shows the distribution of municipal agencies at the end of the Eighth Development Plan by region.

**Table 32.3**  
**Number of Regional Municipalities (Amanat),**  
**Municipalities and Village clusters**  
**At End of Seventh and Eighth Development Plans**

<b>Municipal Agency</b>	<b>2004</b>	<b>2009</b>
<i>Amanat</i>	5	16
Category A Municipality	16	6
Category B Municipality	25	25
Category C Municipality	51	51
Category D Municipality	16	60
Category E Municipality	0	83
Category B Village Cluster	5	0
Category C Village Cluster	19	0
Category D Village Cluster	41	0
<b>Total</b>	<b>178</b>	<b>241</b>

*Source: MOMRA Follow-up Reports.*

Among the responsibilities of MOMRA are: classification of contractors, management of the construction and building sector database, management of the Mina and the Holy Sites Development Project, and the building and construction laboratories. During the Eighth Plan, other responsibilities were added, such as : managing and implementing the Building Code, applying the real-estate registration system in coordination with the Ministry of Justice, and issuing

municipal licenses for commercial, industrial, artisanal and vocational activities.

**Table 32.4**  
**Distribution of *Amanat* and Municipalities by Administrative Region**  
**2009**

Region	<i>Amanat</i>	Municipalities					Total Municipal Agencies
		Category A	Category B	Category C	Category D	Category E	
Riyadh	1	1	8	16	11	7	44
Makkah	3	0	1	6	4	8	22
Madinah	1	1	1	3	3	7	16
Qassim	1	1	3	4	7	8	24
Eastern Region	2	2	3	2	4	8	21
Asir	1	1	4	4	7	10	27
Tabuk	1	0	1	4	1	4	11
Hail	1	0	0	2	8	6	17
Northern Borders	1	0	0	2	1	5	9
Jazan	1	0	2	3	7	8	21
Najran	1	0	0	1	3	4	9
Baha	1	0	1	2	3	4	11
Jawf	1	0	1	2	1	4	9
<b>Total</b>	<b>16</b>	<b>6</b>	<b>25</b>	<b>51</b>	<b>60</b>	<b>83</b>	<b>241</b>

*Source: MOMRA Follow-up Reports.*

Box 32.1 shows the main regulatory decisions related to the sector, which were passed during the Eighth Development Plan.

**Box 32.1: Main Regulatory Decisions Related to the Municipal Sector Issued under the Eighth Development Plan**

- Council of Ministers Resolution No. 70 of 2006 approving the contractors' classification system and tasking MOMRA with the responsibility for the classification of contractors, in accordance with the provisions of the system and its executive regulations.
- Council of Ministers Resolution No. 71 of 2006 vesting the jurisdiction for issuing commercial, industrial, artisanal and vocational licenses with MOMRA exclusively.
- Council of Ministers Resolution No. 11 of 2007 establishing a central unit within MOMRA to oversee implementation of the Saudi Building Code and introduce the necessary subsequent amendments.
- Council of Ministers Resolution No. 157 of 2008 approving the rules governing and identifying the urban zone until 2028, which seek to provide public services and utilities and attain the optimal size of cities and villages in line with the National Spatial Strategy approved by Council of Ministers Resolution 127 of 2000.
- Council of Ministers Resolution No. 167 of 2009 approving the transfer of the provisions on municipal councils stipulated in the municipality and village system to a specific system for municipal councils, and expediting the presentation of the draft system, in accordance with current procedures, with membership of municipal councils continuing for a period of two years from 31/10/2009.
- Council of Ministers Resolution No. 284 of 2009 upgrading the municipalities of Al-Taif and Al-Hasa to *Amanat*.
- Council of Ministers Resolution No. 285 of 2009 stipulating that MOMRA shall not zone any land within oil, gas and mining concession areas and shall exclude dangerous-to-inhabit sites when preparing spatial plans for cities and villages relying on maps of the sites intended for development and urban development supplied by the agencies concerned.
- Council of Ministers Resolution No. 286 of 2009 licensing the establishment of a joint stock company owned by the *Amana* of Makkah by the name of Al Balad Al Ameen Company for Urban Development.



## 32.3 ISSUES AND CHALLENGES

### 32.3.1 Demand for Municipal Services

Within the framework of promoting administrative decentralization, demand for municipal services is expected to increase, which calls for persistence in developing the human and financial resources of municipal agencies, as well as speeding up implementation of adequate alternatives for funding various programmes, such as expanding private-sector participation in providing services, through continuing to hold investors in large land and residential and commercial development responsible for providing services according to the standard specifications. Meeting this challenge requires : enhancing municipal investment and programmes; commercial use of assets owned by the *Amanat* and municipalities; continuous evaluation of municipal service fees with a view to break even; and increasing efficiency of services and reducing their costs, without affecting their quality and availability.

### 32.3.2 Municipal Services in Regions

Municipal services cover all centres and surrounding villages in the various regions. However, there are relative disparities in their standards. Hence, there is a need for further improvement, development and expansion of services, with a view of reducing disparities among regions. This, in turn, requires expanding the scope of municipal services in existing municipalities, and creating new municipalities according to a specific time plan in line with the National Spatial Strategy.

### 32.3.3 Coordination among Concerned Agencies in the Sector

A number of other agencies join *Amanat* and municipalities in providing public services and infrastructure for water, sanitation, electricity, transport, communications and other services. Lack of coordination among the agencies, in planning, designing and

implementing various projects often leads to higher costs and disruption of traffic and movement within cities and neighbourhoods. Repetitive excavations within a short timeframe and other unplanned interactions weaken efficiency of public-service projects.

Adherence to urban planning, which determines various land uses within cities, is one of the most prominent challenges. In addition, there is a need for enhancing interest in long-term planning of public services for its important role in achieving rational administration of capabilities and resources available to cover growth in demand for various services. Furthermore, developing an accurate, current and comprehensive database will enhance the level of coordination among relevant agencies.

### **32.3.4 Environmental Health**

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There is a direct, close correlation between achieving social welfare and providing a healthy and clean environment. Expansion of urban boundaries, population growth and economic activity in some urban centres have increased environmental pressures, including; pollutant emissions from industrial facilities, increasing traffic within cities, excessive generation of urban solid and liquid wastes, and rising levels of ground water tables that are due to the low coverage rate of sewage networks in some neighbourhoods.

These challenges require effective solutions such as: developing an integrated public transport system in cities and suburbs to ensure reduction of the growing congestion and traffic jams; adopting technologies for safe disposal of organic waste; enhancing and developing technologies for recycling solid waste; ensuring universal coverage of the sanitation system as soon as possible; reducing pollutants in petroleum products consumed locally; and reducing carbon pollutants emitted by vehicles and means of transport through strict traffic controls. Thus, it is necessary to build the capacity of municipal agencies for enhanced health monitoring and control, in particular by providing highly qualified and efficient manpower.

### **32.3.5 Horizontal Expansion of Cities**

Various cities expanded horizontally, due to economic, social and administrative factors; primarily high land prices near city centres, which stimulate expansion in the periphery; and regulations restricting vertical growth, which contribute to decreasing the efficiency of exploitation of flat areas within urban boundaries. These factors, along with escalating growth of city populations, led to an increase in pressures on public services and infrastructure in major cities. Moreover, in recent years, the widening of the geographical boundaries of the cities, in the absence of a public transport system, exacerbated traffic congestion problems. Hence, ensuring sustainable development of cities requires addressing these multi-dimensional challenges through: strict application of urban boundary and land use regulations; encouraging vertical development of cities within the capabilities of services such as water and sanitation; providing an integrated, modern public transport system in major cities and suburbs; developing radical solutions for vacant lands within cities, to ensure their optimal utilization; and distributing economic and services facilities in a way that reduces horizontal expansion of large cities.

### **32.3.6 Municipal Revenues and Expenditures**

During the Eighth Development Plan, municipal revenues, an important financial resource for municipal services, grew substantially, from SR1,680 million in 2005 to SR2,251 million in 2009; an increase of 34%. Nevertheless, municipal revenues still constitute no more than 30% of current operating expenses. This is due to several reasons, mainly: untapped economic assets, low collection efficiency, and provision of several services free of charge.

Development and improving the standards of municipal services require managing municipal facilities and services on a commercial basis, especially in view of the shift towards privatization of many services. This calls for: reviewing current service fees to ensure covering costs and rationalization of usage; enhancing efficiency of services; reducing service costs; increasing fee-collection efficiency; reinforcing investment of land and assets owned by municipalities; and

providing the private sector with opportunities to participate in providing services, thereby easing the burden of escalating expenses, while promoting community participation in providing and managing services.

### **32.3.7 Utilization of Land Grant Subdivisions**

The number of existing grant subdivisions is currently about 3,605, covering more than 2.2 million pieces of land that can accommodate about 11 million people. These land subdivisions constitute a huge asset that can be added to the national real-estate market, ensuring provision of housing for large segments of citizens. However, utilization of these subdivisions requires supplying various services and infrastructure, within the framework of a programme that ranks priorities in accordance with the National Spatial Strategy, issued by Council of Ministers No. 127 of 2000, to ensure that development is focussed upon approved development corridors. In addition, it is imperative to benefit from various sources of funding available, especially opportunities for partnerships with the private sector, so that financing is not limited to direct funding from the state budget.

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### **32.3.8 Flash Flooding Risks**

Especially in the rainy season, several cities and villages face the dangers of flash floods that may threaten life and property, and cause damage to public utilities, services and facilities. This calls for approval of the strategic study on storm-water drainage and prevention of the dangers of flash flooding, which involves erecting barriers, building dams, and streamlining courses of valleys (wadis) to redirect floods towards them away from built-up areas. It also calls for continuing to emphasise compliance with circulars and directives prohibiting tampering with courses of flash floods.

## **32.4 DEMAND FORECASTS**

Forecasts of demand for municipal services under the Ninth Development Plan are based on the need to achieve universal coverage

of municipal services; taking into account population increases, urban growth and economic expansion; and replacement of facilities upon expiry of their operational age; all while taking into consideration regionally balanced development.

Table 32.5 illustrates about 12493 planned schemes to meet the demand for municipal services under the Ninth Development Plan, distributed by administrative region. About 65% of the demand will be satisfied during the Ninth Development Plan by implementing about 8,122 municipal service projects.

**Table 32.5**  
**Planned Projects to Meet Demand for Municipal Services**  
**by Administrative Region**  
**Ninth Development Plan**

Region	Planning Studies	Storm Water Drainage	Roads and Streets	Parks and Gardens	Public Markets (*)	Municipal Buildings	Environmental Health	Public Utilities (**)	Expropriation of Properties	Total Projects
Riyadh	245	371	1107	157	99	181	157	208	64	2589
Makkah	160	213	595	82	23	76	94	131	35	1409
Madinah	49	112	363	50	15	46	77	62	18	792
Qassim	25	93	426	66	49	68	75	74	28	904
Eastern Region	97	91	402	79	19	75	102	85	14	964
Asir	72	211	712	74	43	75	72	172	29	1460
Tabuk	24	84	233	38	11	26	32	42	10	500
Hail	39	99	336	40	36	50	66	62	16	744
Northern Borders	20	76	165	27	10	18	36	34	5	391
Jizan	68	138	448	84	41	64	101	93	43	1080
Najran	19	69	138	30	10	30	31	27	6	360
Baha	33	77	223	33	17	20	36	53	17	509
Jawf	21	70	214	24	14	27	38	41	16	465
Various regions (Office of Ministry)	283	8	12	0	0	13	1	9	0	326
<b>Total</b>	<b>1155</b>	<b>1712</b>	<b>5374</b>	<b>784</b>	<b>387</b>	<b>769</b>	<b>918</b>	<b>1093</b>	<b>301</b>	<b>12493</b>

(\*) Fruits, vegetables, meat, fish and livestock markets.

(\*\*) Public spaces, urban centres, cemeteries, facilities for washing the deceased, car parks, and festivities halls.

*Source: Programmes and Projects of MOMRA for the Ninth Development Plan.*

## **32.5 DEVELOPMENT STRATEGY**

### **32.5.1 Future Vision**

Municipal services that are compliant with international standards and which meet the growing needs of the population in urban and rural areas alike; enhancing efficiency of services, facilities, and infrastructure; and supporting the role of the private sector in establishing, operating and financing municipal utilities; thereby improving the quality of life of citizens.

### **32.5.2 Objectives**

- Improving living conditions and achieving regionally balanced development.
- Raising the operational efficiency of municipal agencies and improving effectiveness of their services.
- Protecting the environment and ensuring public safety.
- Continued development and upgrading of Holy Places.
- Improved classification capability and beginning the process of classifying consultants and private sector contractors.

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### **32.5.3 Policies**

- Expanding provision of municipal services in accordance with the National Spatial Strategy.
- Providing comprehensive municipal services in the approved development corridors and growth centres.
- Developing the technical and human capacities of municipal agencies and enhancing their powers.
- Developing municipal revenues to enable municipalities to develop and sustain their services.
- Continuing efforts of restructuring and institutional development of municipal services and privatization of services.

- Recycling and safely disposing of wastes.
- Applying public health and safety rules firmly.
- Providing an integrated system of public transport within cities.
- Strictly applying traffic regulations in respect of vehicle safety and carbon emissions.
- Taking appropriate measures to protect and prevent encroachment on public land for the benefit of present and future sustainable development.
- Continue efforts to develop Holy Places.
- Design mechanisms for classifying consultants and private sector contractors.

#### **32.5.4 Targets**

- Creating 60 new municipalities in various regions.
- Raising the proportion of recycled waste to 75%.
- Developing municipal revenues to cover about 60% of operating expenses.
- Instituting regulations governing municipal councils and their formation.
- Establishing 40 urban centres.
- Applying and periodically updating the Saudi Building Code.
- Preparing the study on development and classification of contractors and implementing its recommendations upon its approval.
- Completing all regional plans.
- Completing projects in the holy places.
- Completing the master plans of all municipalities.
- Increasing Saudization of manpower to about 84.8% by the end of the Ninth Development Plan.

- Implementing about 8,122 municipal service projects, as indicated in Table 32.6.

**Table 32.6**  
**Municipal Services Targets by Administrative Region**  
**Ninth Development Plan**

Region	Planning Studies	Storm Water Drainage	Roads and Streets	Parks and Gardens	Public Markets	Municipal Buildings	Environmental Health	Public Utilities	Expropriation of Properties	Total Projects
Riyadh	173	265	830	124	66	100	90	129	37	1814
Makkah	67	133	384	48	17	37	57	80	20	843
Madinah	22	73	231	45	5	21	42	26	10	475
Qassim	12	53	288	66	37	53	49	51	17	626
Eastern Region	34	50	242	46	12	34	51	36	5	510
Asir	53	118	436	63	28	42	44	121	19	924
Tabuk	17	54	153	28	3	18	29	25	5	332
Hail	19	65	209	27	21	28	35	44	5	453
Northern Borders	17	55	110	27	6	11	21	22	1	270
Jazan	39	99	309	64	26	29	66	55	34	721
Najran	17	48	81	24	9	17	21	24	1	242
Baha	32	52	158	26	11	16	30	45	10	380
Jawf	16	45	120	16	5	12	16	27	8	265
Various regions (Cabinet Office)	227	8	12	0	0	10	1	9	0	267
<b>Total</b>	<b>745</b>	<b>1118</b>	<b>3563</b>	<b>604</b>	<b>246</b>	<b>428</b>	<b>552</b>	<b>694</b>	<b>172</b>	<b>8122</b>

*Source: Programmes and Projects of MOMRA for the Ninth Development Plan.*

## 32.6 FINANCIAL REQUIREMENTS

The financial allocations for government agencies in the municipal sector (MOMRA, *Amanat* and municipalities) under the Ninth Development Plan are SR95.4 billions.