

Better life in the city

Integrated urban development – GTZ competence for the Mediterranean Region, Europe and Central Asian Countries

GTZ Profile

Our organisation

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations. It provides viable, forward-looking solutions for political, economic, ecological and social development in a globalised world. GTZ promotes complex reforms and change processes, often working under difficult conditions. Its corporate objective is to improve people's living conditions on a sustainable basis.

Our clients

GTZ is a federal enterprise based in Eschborn near Frankfurt am Main. It was founded in 1975 as a company under private law. The German Federal Ministry for Economic Cooperation and Development (BMZ) is its major client. The company also operates on behalf of other German ministries, partner-country governments and international clients, such as the European Commission, the United Nations or the World Bank, as well as on behalf of private enterprises. GTZ works on a public-benefit basis. Any surpluses generated are channelled back into its own international cooperation projects for sustainable development.

GTZ - worldwide operations

In more than 130 countries of Africa, Asia, Latin America, the Eastern European countries in transition and the New Independent States (NIS), GTZ employs some 9,600 staff. Around 1,100 of these are seconded experts and approximately 8,500 are national personnel. GTZ maintains its own offices in 65 countries. Some 1,000 people are employed at Head Office in Eschborn near Frankfurt am Main.

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Foreword

Throughout the world, cities are becoming the central location for more and more people to live, work and do business. This trend generates many problems. Providing people with safe and reasonable living space and the necessary services is an enormous challenge to many municipal administrations.

At GTZ we are familiar with the problems, and also with possible solutions. In the past 30 years we have established an excellent reputation internationally as a competent service provider in Development Cooperation on all aspects of urban development.

The present booklet shows the diversity of experience and success we have accumulated to date with our project partners in the countries of the Mediterranean Region, Europe and Central Asia. It also gives an overview of the services we offer to help solve other problems in these regions.

GTZ's approach is recognised nationally and internationally as particularly suitable for promoting sustainable development. Our experience shows that sustainable development can only be achieved through intelligent social search and learning processes. This includes organising appropriate negotiating procedures for specific demand and context constellations. Here is where the particular strength of our approach lies.

We support and assist our partners flexibly in a wide variety of ways over a period of years with their own reform efforts. We combine technical, organisational

and policy advisory services and share responsibility for achieving the goals. Our focus in this is on social, ecological and economic needs. In this way we contribute to a fair settlement between the various legitimate interests and to developing joint solutions. This is why we particularly welcome your interest in our work. Let's make a worthwhile life in the city a joint project!



Dr. Christoph Beier, Director General
"Mediterranean Region, Europe, Central Asian Countries"

The start of the new millennium was accompanied by another milestone - for the first time in human history more than half the world's population lives in cities. The trend is rising. Urbanisation is advancing at unparalleled speed, particularly in the developing and transition countries. According to UN forecasts, two thirds of humanity will live in cities by 2025.

Rapid population growth is bringing an economic transformation to most cities. Today, the lion's share of aggregate value added is generated in metropolitan regions. At the same time, social disparities and tensions are increasing. Cities act like magnets for people far into the rural areas. They attract the poorest of the poor, inducing them to leave the countryside in the hope of a better future in the city.

In many cities in the 21st century, this trend is causing massive problems. Urban poverty is growing. Densely built informal settlements are shooting up uncontrolled. Access to utilities is inadequate. Municipal administrations are overstrained. There is a lack of past models offering possible answers.

Living space is scarce

The countries of Eastern Europe, the Mediterranean and Central Asia are also suffering from this growth. 540 million people are already living in urban centres in these countries. Providing them with reasonable living space and ensuring the necessary public services is one of the greatest challenges facing the municipalities. Many problems are typical.

Historic centres: the historic centres of many cities have suffered from decay over the past few decades. Essential maintenance and modernisation work has been neglected. The social, economic and architectural structures of historic centres have suffered grievously. Today, living conditions in historic centres are precarious. There is a threat of total breakdown, bringing with it the irretrievable loss of cultural heritage together with urgently needed housing.

Large residential districts: the wave of privatisation in the former communist countries turned millions of citizens into landowners and home owners overnight. However, leases and titles were unknown to people who had lived under communist rule. The economic and social transformation is being accompanied by considerable legal uncertainty in the land and real estate markets. The result is that necessary maintenance work on buildings is being neglected. In many places, dreams of being home owners are turning into nightmares for occupants and city administrations.

Introduction

Unsolved management problems result in accelerated physical decay of multifamily houses. According to an international report, around half of the existing homes will be uninhabitable in 15 years.

Low-cost housing: millions of people lose their homes every year as a result of natural disasters and armed conflict. They sleep in the open air and have only the barest necessities – if any at all. Their economic livelihood has been destroyed. Rapid provision of safe, low-cost housing is the first urgent step towards creating a new basis for living.

These problems put politicians and urban administrations under tremendous pressure to act. Their own experience and financial and management capability are frequently insufficient to deal with the challenges. The tasks facing them in terms of sustainable urban development seem simply unmanageable, given the resources available. Joint action and aid are needed.

Urban development – a GTZ core competence

As an enterprise for international development cooperation active throughout the world, GTZ has been dealing with these challenges for over 30 years. We know the problems, can show our project partners successful answers, and offer them a very wide range of services from a single source. Through long-standing cooperation with our sectoral colleagues at GTZ, we can draw on a wealth of regional and technical experience. Our experts come up with integrated approaches to urban development, good urban governance and capacity development, and implement them successfully in close collaboration with our partner organisations. Our actions are geared to improving the framing conditions and ensuring sustainability.

Urban development has many facets, and our services reflect this diversity. Often they involve technical consulting, for example on setting up and maintaining technical infrastructure, promoting public services and land register, or local economic promotion. We also assist local politicians, administrative experts and local community associations in managing urban development. We develop models and show possible solutions for improving local authority services or financial and zoning management.

One priority area in our action is improving the living conditions of the urban population. Affordable housing, together with secure incomes, creates social security



Introduction

and trust in good governance – the prerequisites for democratic development, even in politically turbulent times.

Together with our partners, we draw on our years of experience and knowledge of international city networks. We promote practical knowledge for practical use. With the help of our own sector division for municipal and urban development, we bundle our global experience and make it available to our partners. We are ready as a company involved in international development cooperation to make a contribution through strategic alliances to reducing urban poverty and making a sustainable improvement in living conditions for future generations.

Our services

The following sections show the services we can offer. They also outline our experience, with a few examples of our successes. Our activities centre on three issues:

■ **Revitalising historic centres at risk:** we preserve living space as a significant contribution to economic development, social identification and the preservation of a cultural heritage.

■ **Enhancing major prefab housing settlements:** rehabilitation and remodelling measures transform monotonous and desolate housing settlements into residential districts with a life of their own.

■ **Planning and creating simple low-cost housing:** construction of safe emergency housing or solid housing to basic standards gives the victims of disasters, refugees and poor population groups more than just a roof over their heads.

Two other aspects that show how we concentrate on holistic solutions for the sake of integrated urban development are promoting **local economies and employment**, and pursuing **energy efficiency in construction**. All our actions reflect our focus on sustainable development as our mission and mandate.



Old cities - new opportunities

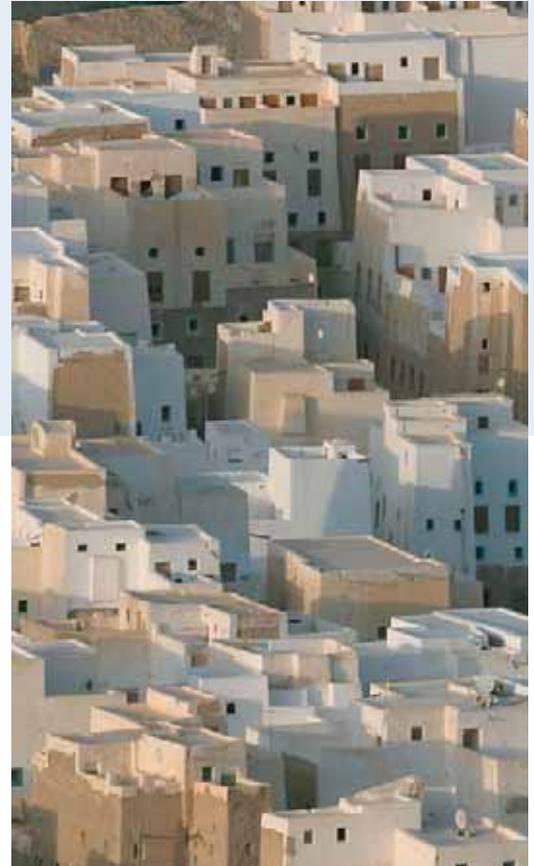
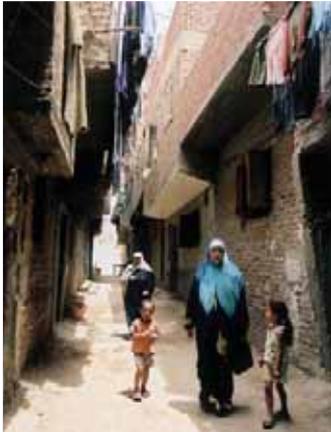
Integrated development of historic centres preserves the unique cultural heritage

The need

Historic centres are valuable witnesses to a country's culture and identity. However, their architectural substance and social flair, the product of the way homes, shops and trades exist side by side, are at risk in many places. This is particularly the case for the countries in the Mediterranean region and the transition countries in Southern and Eastern Europe. For decades there, politicians have neglected and failed to appreciate historic centres. Neighbourhoods which had evolved over centuries were destroyed to make way for new roads and buildings. Maintenance and modernisation measures for old houses were forgotten. The results are a dramatic decay of buildings and infrastructure. Residents and businesses are leaving. The whole social, economic and architectural structure of these centres is tottering.

If nothing is done, this downward spiral will accelerate. The social structure of historic centres is particularly volatile in times of general economic upheaval. Centres which once hummed with life become abandoned districts, inhabited only by the poor and the old. There is no money for maintenance and investment, and economic vigour and appeal drain away. The positive public image of historic centres - including their value as tourist attractions - fades. This is a vicious circle. City administrations are frequently powerless in the face of such developments. They lack the legal, planning and financial basis to preserve and

revive historic centres from their own resources. Existing financial programmes are inadequate. The attempt to save historic centres simply by declaring them historic monuments is not enough. Comprehensive rehabilitation concepts are needed here. GTZ advises inhabitants and city administrations on how to rehabilitate historic architectural assets and preserve the organically evolved socio-cultural structures and economic potential of the historic centres in all their diversity. Our experience shows that historic centres are not only able to keep their place in the economic structure of a region, but can also become drivers of economic growth. This keeps the cultural heritage alive - for present and future generations.



Old cities - new opportunities - Our services

Our services

For years we have been advising city administrations and political decision makers at the national level on how the cultural diversity and architectural heritage of historic centres can be preserved. We identify opportunities for development and formulate strategies appropriate for the local situation. Together with other cooperation partners, including UNESCO, the Arab Fund and the KfW Entwicklungsbank (KfW development bank), we promote integrated development processes based on economic sustainability. Our instruments include:

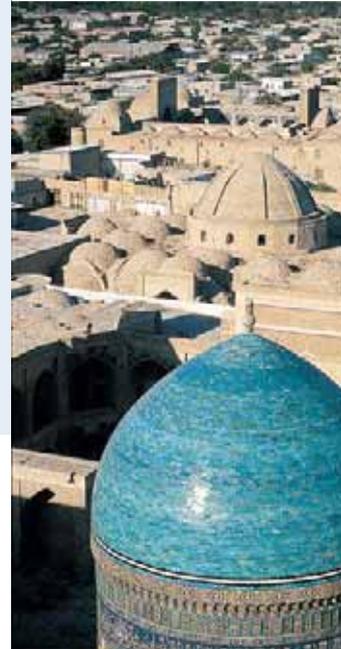
■ **Awareness-raising:** the most important actors in the rehabilitation process are the people living and working in the historic centre. Only if they are informed, made aware and involved in decisions at an early stage will inhabitants become committed to the further development of the historic centres. This is why close contact with inhabitants is a fundamental element of our advisory concepts.

■ **Local capacity development for urban rehabilitation:** many city administrations lack the human and administrative capacity needed for the sustainable development of their historic centres. We help create appropriate organisational structures, develop human resources, and formulate locally adapted strategies.

■ **Developing promotional instruments and advisory services for historic centre rehabilitation:** proper maintenance of historic buildings is frequently too expensive for the inhabitants. However, appropriate promotional programmes can massively increase the willingness of private individuals to invest in the long-term conservation of historic buildings. Free advice on rehabilitation and dedicated small credit and grant programmes for preservation, rehabilitation and modernisation measures have proved their value here.

■ **Reviving traditional crafts:** historic centres have always been places for living, commerce and work. Today, however, there is virtually no market left for traditional arts and crafts in many cities, because of the lack of demand and financial resources of their inhabitants. To reverse this trend, we assist small and medium enterprises (SMEs) in reviving ancient arts and craft traditions. This includes training, together with the formulation of viable marketing strategies. The result is new sources of income and apprenticeships as an important element of integrated urban development.

■ **Rehabilitating the infrastructure:** many inhabitants are leaving the historic centres because water, sanitation, gas and power lines are breaking down, together with the roads and pavements. We assist city



Old cities - new opportunities - Our services

administrations and utilities in modernising their technical infrastructure. This gives inhabitants new confidence in their locality and lays the foundation for investment.

■ **Improving the living environment:** green areas in historic districts are frequently in poor condition. We help local authorities and private owners to beautify the living environment. Revitalised and newly created parks and gardens enhance the quality of life and the image of a historic centre. Supporting measures like these encourage inhabitants and owners to rehabilitate their private homes or businesses.

■ **Reducing traffic:** many historic districts are in danger of being choked by traffic. We guide local authorities in managing and reducing traffic. Restrictions on motor traffic and the creation of pedestrian zones enhance the quality of life and appeal of historic centres for inhabitants, businesses, customers and visitors.

■ **Promoting cultural tourism:** historic districts have immense tourist potential, but this is neglected in many places. The decayed state of buildings in the district is unattractive, and there is often a lack of tourist infrastructure. We advise cities on using integrated rehabilitation products to revive the cultural heritage of their historic districts through adapted tourism concepts. Socially and ecologically acceptable cultural tourism is an important advertisement and source of income for the private and public sectors.



Old cities - new opportunities - Our success stories

■ Sibiu, Romania

In 2007 the Romanian city of Sibiu will be designated a "European cultural capital". This is the culmination of an extremely successful historic district rehabilitation initiated by a GTZ project. As late as the mid-90s, the buildings in the medieval historic centre of Sibiu were decaying and the centre was threatened with social and economic breakdown.

Today, there is a new mood among the population, city administration and local economy. Rehabilitation of the historic centre is reviving the traditional building trades, inhabitants are finding new sources of income and jobs, cultural tourism is booming.

The key to this success is an approach chosen by GTZ which is based on participation and close cooperation between all interested parties. A special historic centre rehabilitation department was created in the city administration. Free consultancy on rehabilitation initiated conservation and modernisation of over 150 houses, preserving their historic value. Numerous local craft and building firms specialised in rehabilitation work. Currently, the experience from the project is being transferred to other Romanian cities.

■ Aleppo, Syria

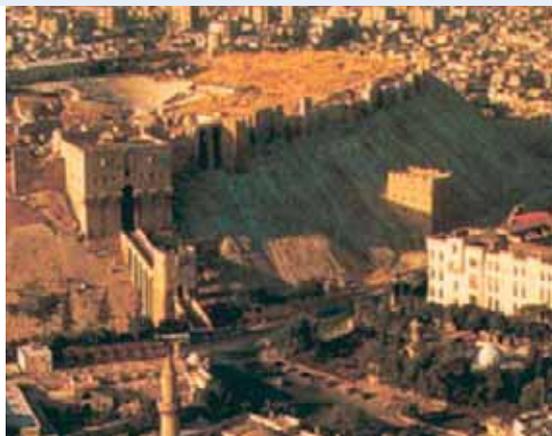
With GTZ help, the city administration in Aleppo has set up an interdisciplinary administrative team to preserve the historic centre, a UNESCO world cultural heritage site since 1986, from further decay. Seventy

per cent of the water and sanitation system in this old part of the city has already been modernised. The inhabitants of the historic centre are participating enthusiastically in the renovation process. One house in five has already been renovated. The number of inhabitants in Aleppo's old city has recently started rising again, along with private investment. The Syrian government has recommended that other cities in the country adopt Aleppo's rehabilitation and development concept.

■ Shibam, Yemen

The historic centre of Shibam, with its 400 inhabitable tall clay houses, is also a UNESCO world cultural heritage site. Since 2000, many home owners there have been advised on possibilities of renovation; around 100 of them have already rehabilitated their homes with the help of the Historic Housing Programme. This has brought new life to the traditional building trades. A functional waste disposal system and the rehabilitation of the water supply system are also helping to further improve the quality of life in Shibam.

Citizen initiatives are being supported to improve the incomes of Shibam's other inhabitants and strengthen their sense of responsibility for the city. These initiatives are, for example, working to advance women and young people, promote cultural tourism, and revive oasis farming around the historic centre.



Improving life in prefabs

Modernising large residential settlements secures badly needed housing space

The need

Since the Second World War, prefabricated housing settlements have become a major factor in the development of many cities, particularly in communist nations. In South-Eastern Europe alone, more than 40 million people have settled in prefab housing. In many places, current need for housing exceeds the existing supply. However, most of the buildings and the associated open spaces are in extremely poor condition. Lights and lifts are not working, fresh water is only available on the lower floors, roofs leak and basements flood. There are cracks as wide as a man in the stairwell facades. The rest of the exterior is generally intact, but there is little or no insulation. Open areas are degenerating.

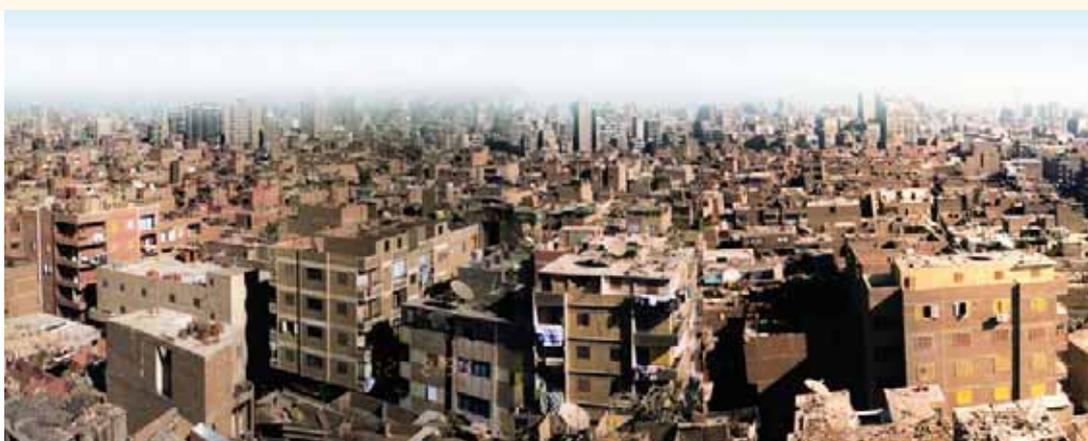
Inevitably, such conditions affect the value of the individual properties and the image of whole districts. There is an obvious change in the social relationships between the inhabitants – families who can afford to do so move out, while poorer families remain in the neglected residential districts. The result is social downgrading and ghetto formation. The reputation of the entire city suffers.

All efforts to maintain buildings and open areas better run into a structural problem. In the course of the social upheaval, privatisation in many places only extended to the individual titles in the building covering individual apartments, without the stairwell, roof,

façade, house installations and open areas. Occupants were given the title cheaply or even free. However, attempts to organise the new home owners in associations have been inadequate or nonexistent. Without such organisations, which also enhance creditworthiness, there are now massive problems in financing repairs and maintaining the decaying buildings.

A further complication is the disastrous energy efficiency of many buildings. Unrenovated prefabs in South-Eastern Europe use up to 50 % more heating energy than renovated properties in Germany. This results in horrendous running costs. The necessary renovation of existing buildings would take over EUR 350 billion in South-Eastern Europe alone.

Viable answers are needed for the future: local authorities, city administrations and the banking system have to develop and test these. The goal is to preserve the social diversity of the large residential complexes, secure existing social facilities, and preserve the buildings for future generations too.



Improving life in prefabs - Our services

Our services

Together with our partners and the private sector, we develop repair and rehabilitation concepts adapted to local circumstances, in order to remodel the desolate and monotonous settlements as residential districts that offer quality of life at affordable prices. We develop low-cost ways of modernising existing buildings. We create models for developing home owner equity, promote participative procedures, and advise on the introduction of appropriate financing concepts and on amending the legal environment. In this process we pay special attention to the following aspects:

■ **Cooperative and integrated urban district development:** the key task facing modern city rehabilitation is not the development of individual real estate properties, but the conservation of developed and urbanised residential districts. This is our conceptual approach to collaborating with partners from administration, the private sector, politics, tenants and landlords on dealing with the strategically important reorientation and preserving the existing social network.

■ **Helping secure title:** settled property rights are the prerequisite for loans to finance home renovation and maintenance. We help with precise definition of individual title and title in jointly used areas of buildings. We advise local authorities and home owners on questions of registering title in homes and land

registry entry. We assist them in resolving and defining property boundaries. Advice on creating condominiums leads to condominium associations which are able to manage their buildings and open areas sustainably by themselves.

■ **Making housing affordable:** given the scarcity of public finance and lack of possibilities for investment by owners, ways are needed to make housing affordable. We help our partners develop appropriate promotional programmes. Together with private-sector partners, we develop approaches that improve the living situation of landlords and tenants.

■ **Enhancing the quality of dwellings:** leaking roofs, defective building utilities, poor energy efficiency and a depressing living environment are some of the factors leading to poor living conditions and rising utility costs. These rob major residential settlements of appeal. We advise city administrations, utility companies and property owner associations on carrying out durable modernisation measures.

■ **Making the residential environment more attractive:** often, public and semi-public open areas, such as playgrounds, green spaces and squares around prefabs and high-rise housing, are in a desolate state. We advise home owner associations and local authority administrations on how to improve and upgrade open areas in order to enhance the quality of life and competitiveness compared with other residential areas.



Improving life in prefabs - Our services

■ **Dealing with traffic:** private cars are on the increase everywhere. This is having an adverse effect on residential areas and settlements. We use our years of experience to assist local authorities to formulate or update their traffic planning. The focus is on reducing traffic and making it safer, and reorganising the vehicle parking situation.



Improving life in prefabs - Our success stories

Georgia

Millions of Georgians became property owners after national independence. However, the apartments in large residential settlements were privatised without any basic change in the regulations covering joint ownership. As a result of the unresolved legal relationships, important repairs have been neglected on the individual buildings. For example, some 450,000 families in the high-rise buildings in Tbilisi faced not only deteriorating living conditions but also a loss of value of the buildings.

With GTZ help, the first positive changes have been made. In cooperation with the Georgian land registry, urban planning office, Ministry of Building and KfW Entwicklungsbank (KfW development bank), a three-stage concept for land management has been formulated. This provides the necessary legal security for privatisation and improves the framework for repair measures to residential buildings.

First, the property boundaries for multi-family houses were clarified and recorded in the newly established land registry. The local authority properties in the districts were established in this way too.

In parallel, occupants were also registered as legal owners of their apartments through the entry in the land register. With this basis, mortgages can now be taken out, for instance in order to invest in improving the housing situation. Advisory services were also provided to the new home owners on founding condo-

minium associations. This includes joint administration of joint property. Since then, conserving existing buildings has become increasingly important, compared with new housing construction – not least because of tight state finances.

Algeria

In the 1990s the Algerian state privatised parts of major residential complexes without entirely abandoning its role in social housing construction. Because repair work was neglected due to unresolved property ownership, the quality of the buildings deteriorated. Residential areas increasingly decayed into focuses of social unrest. GTZ trained 80 local experts in planning and implementing participatory measures for city district development.

Five pilot projects were quickly successful, and the population were persuaded to participate actively in repairing and improving the residential areas and to share in the resulting costs. This experience is now being transferred to other settlements in the country through a network.



More than a roof over their heads

Low cost housing and reconstruction create safe housing at little expense

The need

Many places in the world suffer from a lack of simple, low-cost and safe housing. There are many reasons for this. Informal settlements are mushrooming on the fringes of major cities, with no legal security or adequate infrastructure. In crisis regions, houses have been destroyed and refugees or displaced persons have no housing. Natural disasters destroy housing and the basis of normal life for millions of people every year.

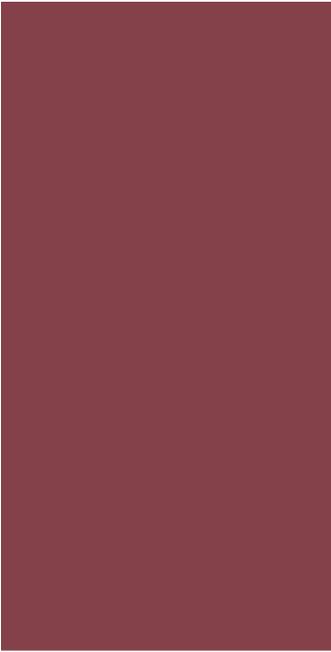
The diversity in the causes is reflected in the diversity of development-policy, administrative and architectural requirements for the provision of appropriate housing. The demands made on construction of emergency shelters after natural disasters differ from those made on building solid, low-cost housing to simple standards.

One of the problems in improving living conditions in informal settlements is establishing property rights. Another is managing infrastructural utilities (water and energy supply, waste) and improving the state of buildings and environmental, hygienic and security aspects of housing.

During armed conflicts, it is necessary to provide temporary accommodation for refugees and displaced persons. In the case of returnees, for example, it is first necessary to clarify ownership before housing can be rebuilt and refugees reintegrated.

In the case of widespread destruction following natural disasters, the number of homeless can be vast. Emergency aid with temporary accommodation is needed. During subsequent permanent reconstruction, the important thing is to pick adapted construction designs and forms of living which restrict the renewed risks and consequences of natural disasters.

In emergencies, providing housing helps to meet elementary basic needs. Decent housing in an environmentally-friendly setting increases the sense of personal security of those affected, creates privacy, and is an important prerequisite for a return to a healthy and productive life.



More than a roof over their heads - Our services

Our services

For over 20 years we have been planning and building low-cost housing for disadvantaged population groups that are acutely at risk and in need. We have responded to new constructional challenges in international cooperation and securing peace by establishing our in-house expert team, Global Construction Management. This interdisciplinary expert team can respond quickly in the field. It comprises experts in construction and civil engineering, prefabricated construction and utility technology. Its outstanding capability is rooted in decades of experience in the field in almost all climatic zones. The range of our contributions, which we customise for our partners to meet the needs of the individual situation, is broad:

■ **Emergency aid:** if thousands of people are suddenly made homeless by earthquakes, floods, or armed conflict, we organise the necessary emergency aid. We have years of experience in constructing emergency accommodation, and rebuilding destroyed infrastructure and private housing in crisis and disaster areas. We produce fast and low-cost winterproof prefabricated buildings, ensure the supply of electricity and running water, together with sanitary, health and social facilities.

■ **Setting up local project organisations:** in societies which are in upheaval as a result of economic, political or conflict situations, there is often a lack of

competent project executing organisations able to implement emergency aid or poverty-oriented projects. We promote and qualify state institutions, local authorities, NGOs and private development companies. With our help, they learn to plan and construct housing at the lowest possible cost. The emphasis here is on professionalism, economy and consistent focus on the needs of the target groups.

■ **Promoting and qualifying actors:** we assist local authority building departments in their supervisory function and qualify public and private sector project executing entities in the construction industry. We provide advanced training for local architects and engineers following the current state of knowledge. Local building firms are trained in contracting, construction management and cost control. Construction workers improve their skills through additional on-the-job training.

■ **Low-cost construction:** we advise our partners on developing adapted building standards and implementing low-cost solutions which qualify for financing. Together with the local building industry, we formulate appropriate systems for costing. By using local building materials, reviving traditional building methods and standardising construction plans, we make construction of high-quality housing possible on favourable terms. Important factors here are to avoid



More than a roof over their heads - Our services

using expensive building materials as far as possible, and to ensure strict cost control.

■ **Comprehensive construction management:** there are many causes which can result in a failure to provide urgently needed housing fast enough. Plans may be lacking, or inadequate, tendering and approval procedures take too long, and construction is not adapted to local needs. We assist our partners in developing legal regulations and procedures for speeding up and simplifying the issue of building permits. We also help in creating the legal basis for secure transfer of title in land and property and legalising ownership. Our services in low-cost housing and reconstruction of housing go well beyond building simple homes and residential settlements. For example, we also promote training for workers in the building trades and assist with the formation of small building firms. We develop adapted financial models for low-income groups

and assist local authorities in connecting disadvantaged districts to existing infrastructural networks. We help with the creation and transfer of certificated title documents and moderate in the dialogue between population, local administration and central decision makers.



More than a roof over their heads - Our success stories

■ Bosnia and Herzegovina

In the period 1995-1998, GTZ provided winterproof accommodation under a BMZ contract for refugees and displaced persons in the Tuzla Canton. The three project communities Celic, Tuzla and Kelsija had previously been the sites of particularly violent armed conflicts. The multi-storey residential buildings in the city centres had suffered serious damage. Reconstruction and rehabilitation measures very quickly created housing for almost 6,000 refugees and displaced persons. GTZ moderated with political sensitivity between the partners involved, NGOs and local building departments.

It succeeded in customising bundles of emergency measures with minimal financial resources, all of which were carried out by local building firms. The population's self-initiative was also mobilised. For example, damaged private buildings were repaired and basic amenities installed, provided that the owners declared their willingness to take in refugees for a limited period. Partly destroyed urban apartment blocks were repaired. The returnees repaired their own homes, under the guidance of outside experts. Public buildings that were no longer used were converted into residential units. One settlement which had already begun was expanded to include new four-family housing units.

■ Albania

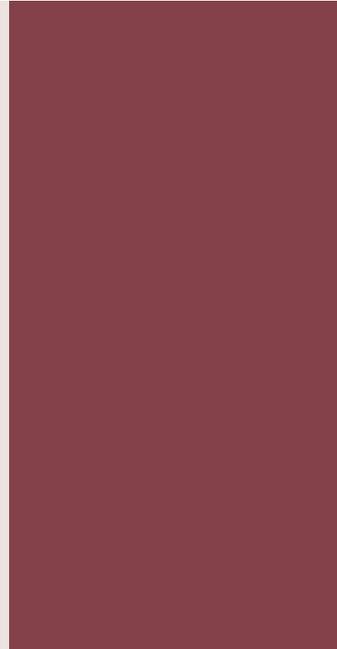
GTZ used a similar concept to the one in Bosnia and Herzegovina to repair and convert buildings at five locations in Albania. These provided accommodation to almost 4,000 refugees from Kosovo.

■ West Turkey

Following the devastating earthquakes in 1999 in West Turkey, GTZ provided emergency aid. Within just seven months, it cooperated with local partners and building firms to create a total of 1,600 residential units for over 9,000 earthquake victims. Besides the housing, social facilities such as schools, kindergartens, social and health centres, administrative and assembly buildings were constructed, as well as a temporary hospital.

■ Afghanistan

To meet the needs of the German Federal Army in its international peace mission, GTZ assisted in the planning and construction of civil infrastructural facilities. The inclusion of local planners and companies in the construction measures ensured rapid, efficient and low-cost implementation. In Kabul, Kunduz and Marza-e-Sharif we constructed permanent housing, administrative buildings, a hospital and utility facilities, which can be made available to the region for civilian use later.



Booming economies - flourishing cities

Successful cities build on local economic promotion

The need

Cities are only viable if they provide enough jobs for their inhabitants. Without jobs, the city withers - the economically active population start to move away, investors and investment dry up. Finally, there is the threat of social, economic and societal depletion. To counter this process, municipalities need an active economic policy.

In times of economic upheaval, local authorities in the countries of the south and east face major challenges. For many, active local economic promotion is new territory. Because of their lack of experience, they often put all their hopes in attracting foreign investment. However, a successful local economic policy includes primarily measures to support existing companies and promote new business formations in the city and region.

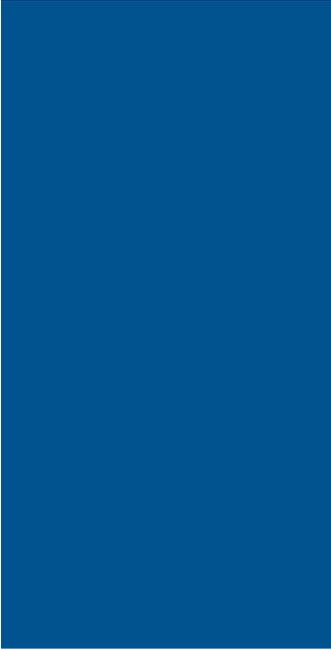
When choosing a location, investors look beyond purely economic conditions. Other important factors are good living conditions for employees. Culture and an attractive living environment are becoming an important factor in location decisions. Here, cities and local authorities are competing with each other.

One important indicator of a city economy is the construction industry. Renovating historic city centres or housing construction and modernisation always involve creating new jobs. The whole process stimulates

trade, crafts and tourism. As a result, not only local economic development but also ultimately national economic development benefits.

Our services

We see economic promotion and job creation as an integrated, networked and multisectoral system approach. This includes promoting competitive companies, establishing services closely attuned to business, and creating efficient economic institutions and



Booming economies - flourishing cities

market economy environments. Our activities and consulting services are based on local need. Their primary aim is to enhance the competitiveness of the local economy, and particularly SMEs. Our services typically include:

- establishing strategic urban economic promotion
- formulating promotional programmes and tapping promotional funds
- organising networks (clusters) for sharing experience
- city and location marketing promoting new business formation, particularly in the SME sector
- specific training and upgrading measures
- strengthening the (construction) trades and small-scale industry
- creating jobs in city district rehabilitation and promoted low-cost housing construction
- developing the potential of sustainable tourism
- reintegration (occupational) of refugees.

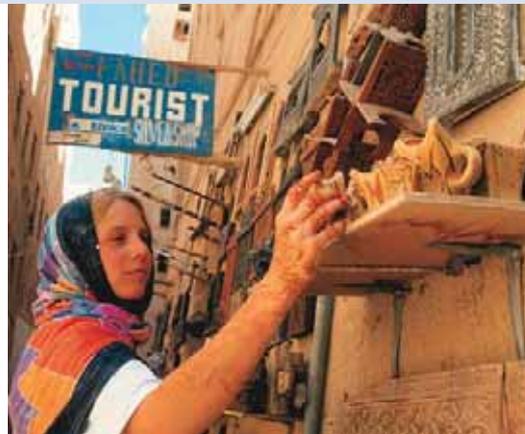
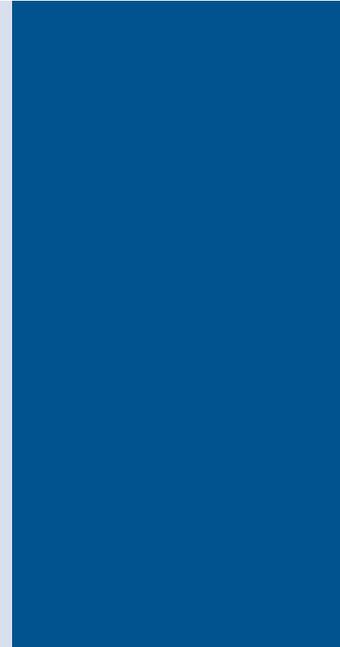
Our success stories

■ Serbia

Participatory Appraisal of Competitive Advantage (PACA), the diagnostic tool introduced by GTZ, enables Serbian local authorities to quickly analyse their strengths, weaknesses and development potential, and define economic and employment initiatives. This helps local authorities to make better use of their potential. In Subotica, for example, a successful tourism and information centre was set up on the basis of our advice.

■ Bosnia and Herzegovina

With financial support from the Swiss DEZA, GTZ is assisting private sector companies in selected industries in Bosnia and Herzegovina in developing new opportunities in the domestic and foreign markets. The project has already secured numerous jobs and created more than 400 new ones. The assisted companies invested more than EUR 5.5 million.



Boost efficiency, cut costs

Energy-efficient construction cuts costs, enhances the quality of life

The need

Most people in South-Eastern Europe and the Mediterranean area today live in residential buildings constructed in the past 250 years. The buildings frequently fall short of modern standards of convenience. There is also great need to make up the shortfall in terms of economical use of energy.

Modern house systems and thermal insulation make a comfortable living environment possible and enhance the well-being of all the occupants. At the same time, they offer economic benefits. Investment in these can pay for itself in a short time, and also helps protect the climate. This is why it is worth promoting energy-efficient construction and renovation.

Energy efficiency is a central feature of sustainable architecture. It aims at minimising energy and material consumption in all aspects of a building's life cycle. Many existing buildings have potential energy savings of up to 60 %.

The pressure to make more efficient use of energy creates new areas of employment. This revives the building industry. The introduction of regenerative energy technologies also creates additional economic stimulus, which strengthens the economy as a whole.

Our services

We regard energy efficiency as an overarching task which networks and brings together the aspects of housing, urban development, ecology and economics. We advise our partners on how to improve the economic and ecological balance of housing up to the level of entire settlements. This includes boosting the competitiveness of existing urban structures compared with new construction projects. Our advisory services are always adapted to local social, economic and climatic conditions. Possible contributions include:

- preparing need studies
- developing adapted methods of calculation for determining the total energy efficiency of buildings
- advising on the legislative environment
- implementing appropriate pilot projects in terms of best practice
- developing typical local prototype buildings with regard to energy efficiency
- developing facility management concepts



Boost efficiency, cut costs

- developing advanced training models for local planners, architects, craft workers and building management staff
- raising public awareness regarding energy-efficient and cost-efficient construction through seminars, forums and PR work.



Our success stories

■ Macedonia

Macedonia uses more energy to heat and air-condition buildings than Germany. In winter, district and local heating systems cannot meet demand, so that the population also use electric heaters. In the hot summers, the use of air conditioning exceeds the capacity of the electricity supply. With GTZ assistance, the situation has already been improved in individual cities. Measures include new insulation for over 150,000 m² of façade.

■ Romania

Many of the buildings in Romania are connected to district heating systems. Together with private sector partners, GTZ is assisting the Romanian Government in modernising district heating systems in five cities. Over EUR 80 million has already been invested. The resulting long-term savings exceed this many times over. Given the success to date, follow-on projects are being planned.



Project portfolio

Overview of our current, planned or completed projects in the above priority areas:

-  revitalising historic centres
-  modernising large residential settlements
-  low-cost housing and infrastructure
-  economic promotion
-  energy-efficient construction



Countries of Department 3 (shaded blue)
Status: January 2006

Project portfolio



Other services

of the Department "Mediterranean Region, Europe, Central Asian Countries"

GTZ Department 3 supports development and transition processes in over 40 countries in the Mediterranean Region, Europe and Central Asia. We are active in all sectors of importance for sustainable development – economic promotion, good governance, basic social services, environmental policy, rural development and urban development.

The present booklet presents only a selection of our services. It gives examples demonstrating our company's competence and future orientation. Our clients are advised by a professional and interdisciplinary team. Our experts have years of foreign and management experience.

The services are extensive and customised for the complex advisory needs of our partner countries. We assist our partners with democratic, constitutional and free market reforms. Our actions focus on:

- land management, land registry
- urban and local authority development
- legal and judicial reform
- nation building and administrative promotion
- education
- material infrastructure, construction and civil engineering

- institutional infrastructure
- economic reform and private sector promotion
- conservation of natural resources / water

We advise our partners on the successful transition and development of their economies, businesses and administrative structures. We smooth the path to new markets and promote efforts toward integration, e.g. into the European Union. We assist with economic reconstruction in crisis areas, promote decentralised administrative structures, draw up concepts for and support implementation of the necessary infrastructure. Our activities help defuse ethnic and regional conflict potential and secure peace.

Our projects and programmes contribute to sustainable improvement of the living conditions and prospects of the people in our partner countries.

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