GCC Small-Group Exercise:  
Country Y Coastal District Development Project

Objective  
Improve economic growth and livelihood security by the quality of services provided to local residents.

Background  
This $25 million project is planned for a group of historically rural but rapidly urbanizing communities on Country Y’s eastern coast. The area’s economy has traditionally been based on small scale fishing and agriculture, but now finds itself in the middle of an area that is becoming more urban and is attracting manufacturing and other industry. Local government capability to deliver services to the growing and urbanizing population is extremely limited.

Key Issues  
- Roads are inadequate to handle the growing number of passenger cars and commercial vehicles.
- The electricity supply is inadequate, leading to periodic load shedding; the transmission and distribution (T&D) network does not serve all areas, particularly the coastal communities that were once small fishing villages, but have now grown into unplanned and densely populated residential and industrial centers.
- The water supply system also does not cover the entire municipality, with many poorer communities relying on shallow wells and trucked water for the daily needs. The municipal wastewater treatment facility was built 30 years ago to serve 20,000 households; it now serves 50,000, with many more households and business not connected to the system.
- The area’s only official landfill is well engineered with a clay lining, but it is reaching capacity.
- The main municipal hospital is aging and in need of rehabilitation. It occupies a low-lying plot in one of the area’s historic coastal fishing communities.

Environmental Context  
This part of eastern, coastal Country Y includes hilly areas that were once forested, but were long ago cleared for terraced farming on their steep slopes. The hills extend to within five kilometers of the sea where they flatten out into a coastal plain. Most of the urban development has occurred within this coastal plain. Although the small scale farming in the terraced hills of the area has historically been productive, in recent years the monsoon rains that are the primary source of water for farmers, have decreased and become less predictable. Fishermen report that fisheries are being compromised by sedimentation running off the hillsides during flash flood events and from industrial and municipal waste. The area also has experienced an increase in violent and destructive storms in recent years.

Proposed Activities  
The Local Government Development Project will combine technical assistance and training for local officials and community based organizations, and funding for rehabilitation of existing infrastructure and extension of existing infrastructure. Proposed infrastructure activities include (a) repaving the coastal highway and expanding it from two to four lanes, (b) increasing the generation capacity of the area’s coal-fired power plant and extending the T&D network, (c) extending the municipal water supply system to underserved communities, (d) expanding the municipal landfill to adjacent land currently part of a residential community, and (e) expanding the municipal hospital to land within into grounds.