



Aden

City Development Strategy

Cities Alliance Grant

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Urban Forum
Washington DC, April 3, 2002



Aden- Background/Strengths

- Aden is a major port city. Its position near the entrance to the Red Sea has made the city one of the busiest re-fueling stations in the world; servicing most of the ships that pass through the Suez Canal.
- Aden was declared a free trade zone in May 22, 1991, and has become the economic and commercial capital of Yemen. The refinery, the port complex and the new Aden Container Terminal (ACT) are the principal sources of employment in the Governorate.
- The highest literacy rate amongst all Yemeni cities is in Aden (28.3%), which is almost as twice as the national average.
- Aden also has the smallest average size of household in Yemen, with strong entrepreneurial mindset and a strong informal sector that provides valuable services at low cost.



Aden- Major Issues

- Worsening poverty- 10% of urban households in Aden is under the Food Poverty Line (\$0.40) and 24% is under the Upper Poverty Line(\$0.60);
- Unemployment (estimated at 20%);
- Increasing migration to Aden from the close-by Abyan and Taiz, adding increasing demands for service, housing and infrastructure;
- Decentralization of service provision to the local level is fairly recent and is not yet fully operational and coordinated;
- Limited access to commercial credit facilities;
- Centralized, technocratic, unrealistic and un-participatory Master Planning process;
- Unhealthy business environment; complex regulatory procedures that neither promote investment nor protect state-owned land; and
- Real estate speculation; earmarking state-land given for investment !



Aden CDS Objectives

- a) develop a medium to long term strategy for local economic development to reduce poverty and improve the quality of citizens' life;
- b) prepare a physical plan to allow improving the access to and the quality of infrastructure services in Aden through the most effective methods of service provision; delivery mechanisms, cost recovery and the regulatory framework.

The CDS process shall:

- support local assessments and solutions, and provide ways and means in which these can be considered from a wider perspective;
- place great emphasis on the lead being taken by the city itself, with the civil society, MPs and local business leaders actively engaged within a wider participatory process (Partnership Forum established).
- Manage support within the regional/national context, with support and involvement of the national government for replication in Hudeidah and Mukallah; the other two port cities.
- coordinate with UNDP (PRSP), GTZ (SMEs initiatives) and the Dutch.



Aden Local Economic Development

increasing investment to expand employment and services

- identifying ways of improving Aden overall economic performance and efficiency;
- promoting competitiveness of the city in national and international contexts;
- promoting broad-based employment generation; and
- involving micro-enterprises as well as the private sector in conceiving the development strategy, and securing their increased involvement and investment, and defining the supportive role of government.



Aden Local Economic Development

increasing investment to expand employment and services

Building on Aden's competitive advantages, LED strategy aims at:

- providing a competitive local business environment;
- stimulating growth of local firms;
- further developing workforce;
- making whole business environments favorable;
- facilitating an economically-linked business clusters;
- leveraging private sector investments for public good; and
- enhancing public/private partnerships and 'soft' infrastructure investments (e.g. human resource development, regulatory rationalization).



Aden Physical Capital Investment Plan

Based on LED Action Plan, a capital investment plan will focus on the most effective methods of service provision, include delivery mechanisms, cost recovery and the regulatory framework.

Aden development strategy will examine options for efficient service delivery and equitable pricing policies for both, citizens and investors.

Provision of essential services, particularly water and sanitation, energy and urban transport is a crucial demand by investors.