

Comprehensive Development Review, Yemen

Building Block on Urbanization

Comprehensive Development Review, Yemen

Building Block on Urbanization

This report is based on a desk review of available data and reports.

I. BASIC DATA AND TRENDS

A. Introduction

Urban areas typically account for over 50% to 80% of GDP in most countries and, when well managed, contribute significantly to sustained economic improvement and broad-based social welfare gains. The development of urban areas is closely tied to the rural economy through the exchange of labor, goods, services, information and technology, capital, and social transactions that benefit residents in both locations. *Remittances from urban areas to rural areas are an important source of income for the rural populations – for example in Morocco, they are as high as 30% of the income of the poor.*

Urban areas in Yemen are the location of about 70% of the value added in the economy. The potential for growth from rural areas has become increasingly limited. With Yemen's economic reform policy since the 1990s of inducing expansion of private sector investment activities to generate sustained growth, cities house the manufacturing activities and most of the services. They are the centers for generating employment. *For example, Sana'a, the capital of Yemen, has almost half Yemen's hotels, and is home to between 20-30% of the country's industrial base, varying by the source of information.*

For the cities in Yemen to live up to their potential of contributing the lion's share to growth in GDP, they need to be livable, well managed and governed to provide a conducive environment for private sector investment and generation of employment. *At present in Yemen, there is no institutional arrangement or management structure in the cities that would enable a cohesive and integrated development approach to maximize the growth or poverty reduction potential of Yemeni cities.*

Enabling a shift of population growth geographically and sectorally to reflect Yemen's critical shortage of water is a structural challenge for urban policy makers in Yemen. The rapid growth in populations has not taken place along the coastal areas where there is evidence of abundant supplies in some areas; rather it has been concentrated further inland in highland cities where water is scarce. Given the political and governance climate in Yemen, the feasibility as well as the costs of attempting to slant growth away from the magnet cities in the highlands, *will require careful study and evaluation. Its difficulties should not be underestimated.*

B. Overview of key indicators and trends

(i) Urban population growth

Yemen has a rich urban heritage and tradition, spanning several thousand years. Its cities are home to a unique built environment. Presently, the Yemeni population is predominantly rural, but has been rapidly urbanizing at rates which have averaged between 6-8%, or almost two to three times higher than average urban rates of increase in the MENA region. This rapid urbanization dates to the 1970s, fuelled by a combination of high rates of natural increase, rural-urban migration, remittances and, more recently, return of migrants in the wake of the Gulf war in the early 1990s.¹

According to the statistical year book projections, 34% of the Yemeni population, or about 5.4 million people, were estimated to be living in cities in 1998. Almost two-thirds of this population was concentrated in Sana'a, Aden, Taiz and Al-Hodeidah, with Sana'a alone accounting for 28% of urban residents. By the year 2025, 58% of Yemen's population, i.e. 19.674 million people will be living in urban areas² - an increase of some 13.874 million people, outpacing the existing capacity of cities to manage this growth and provide services. (see Table 1 below).

Table 1: Urban Population Trends in Republic of Yemen (millions)

Year	Total Population	Annual population Growth rate	Urban population millions	Annual Growth rate (%)	% of Urban population
1975	6.492	—	0.74	—	11.4
1986	9.274	3.30	1.65	7.57	17.8
1994	14.588	5.83	3.34	9.21	22.9
1996	15.915	4.45	4.36	14.25	27.4
1998*	17.071	3.57	5.36	10.87	31.4

Ref: (i) *Statistical Year Book 1996*; (ii) *Population and development in the Republic of Yemen 1991, Vol.II.*

* Projection

As evident from the table below, the trend in urbanization in Yemen is comparable not so much to the countries in the Middle-East, but to those in Sub-Saharan Africa, and other low income countries characterized by relatively lower levels of urbanization and very rapid rates of growth.

¹ Urban is defined in Yemeni statistics as Capital Sana'a, Aden City, Capitals of Governorates, Centers of Districts and every settled community of 5,000 or more inhabitants.

² World Resources 1996-1997, World Resources Institute.

Table 2: Urban population as % of total population in Yemen and other countries 1990-1996

	1990	1994	1996
Yemen	28.9	32.6	34.4
Low Income Countries	25.7	27.9	29.1
Sub-Saharan African Countries	28.0	30.5	31.7
Egypt	43.9	44.5	44.9
Jordan	68.0	70.7	72.0
Lebanon	84.2	86.8	87.9
Morocco	48.2	51.1	52.5
Oman	62.1	72.9	77.3
Saudi Arabia	78.5	81.9	83.4

Source: World Development Indicators 1998

Table 3 below gives the high growth rates of some cities in Yemen over the last decade.

Table 3: Growth rates of some cities between 1985-1995

Ataq	29.82%
Marib	12.56%
Hajja	10.05%
Sana'a	8.53%
Hadeedah	8.21%
Ibb	7.56%
Sada	1.47%

(ii) **Role of Migration in Yemen's urban Development.** Internal migration data is indicative of the real and perceived employment opportunities in different regions, and differences of educational, health and other services. The Census of 1994 provides rough proxy data for *current migration* to a specific governorate (defined as the ratio of the population whose governorate of current residence is different from the governorate of previous residence to the population whose previous residence was the specific governorate) and *life migration*, comparing the current residence with the governorate at birth. Current migration estimates indicate that Sana'a City, the historical and political capital city, is the main destination of internal migrants - 107% from outside. Aden governorate with 25% of population from outside, followed by Al- Hodeidah with more than 10% of new comers, are distant seconds. Other receiving governorates are Al-Mahrah, Al- Jawf, Hadramout, Shabwah and Saadah due to initiation of various projects (oil discovery and some investment projects). Out-migration is largest in the least urbanized governorates such as Al-Mahwit (about 8% of its original population moved out) Taiz, Dhamar, Sanaa, Ibb, Lahj, Al-Baida and Abyan.

The life migration data reflects a longer period than current migration, however it shows that the receiving governorates are basically the same as in the current migration. The main difference is Hajjah governorate that seems to have changed from sending to a receiving place which, as the census report suggests, might be due to the return of the

migrants from the Gulf states and Saudi Arabia. Sending governorates of life time migrants are almost the same as in the case of current migration that primarily reflects little rainfall and scarce job opportunities.

Most receiving governorates are at least 30% urbanized (in terms of number of urban households) as one would expect. Interestingly, Hadramout in the South being also a third urban, and with one of the highest accessibility of water from the network (after Sana'a city and Aden) does not attract that many immigrants, if compared for instance with Al-Hodeidah which is more inland..

Table 4: Migration

<i>Governorate</i>	<i>Share of urban dwelling units in total .%</i>	<i>Current Migration Rate</i>	<i>Life Time Migration Rate</i>
Sana'a City	100	107.4	119.8
Sanaa	5.9	5.6	-6.7
Aden	92.0	24.5	33.8
Taiz	17.5	-2.5	-5.5
Al_Hodeidah	31.9	10.6	8.9
Lahj	5.2	-4.0	-5.5
Ibb	12.7	-4.2	-6.3
Abyan	18.1	-2.4	-4.1
Dhamar	9.2	-5.8	-7.4
Shabwah	10.5	2.5	0.2
Hajjah	9.0	0.2	-1.1
Al-Baida	16.8	-2.7	-5.0
<i>Hadramout</i>	<i>32.6</i>	<i>2.9</i>	<i>1.2</i>
Saadah	11.7	3.7	3.6
Al-Mahwit	6.5	-7.9	-9.7
Al-Mahrah	32.5	9.0	8.7
Mareb	10.6	5.3	6.0
Al-Jawf	16.3	1.3	1.3

Source: Census 1994

(iii) Urban poverty

Urban poverty often has a broader nature of cumulative deprivation, characterized by squalid living conditions, risks to life and health from poor sanitation conditions, air pollution, , traffic accidents, natural disasters, and a breakdown of traditional familial and communal safety nets. Moreover, income inequality in many urban areas is worsening, often implying further exclusion of low-income groups from employment opportunities, basic services, political representation, legal and social protections, and amenities. Urban

poverty is thus associated with a sense of powerlessness, and a state of personal and communal vulnerability that undermines human potential and social capital³.

Almost one in five of Yemen's residents lived below the poverty line in 1992. *While the majority of the Yemeni poor live in rural areas, poverty rates in urban areas are proportionately high. As of 1992, 18.6% of the urban population was below the poverty line as compared to 19.2 in rural areas in 1992.(WDI 1998).* Overall governorate poverty rates do not seem to be correlated with level of urbanization, or services. Sana'a city is the exception as it is the most urbanized, has the highest degree of literacy and services, and lower than average poverty rates at 11.2 %..

Table 5: 1994 Poverty rates in the most populous governorates

Governorate	% of national population	% of population in urban areas	1994 poverty rates
Sana'a	12.7	5.98	27.2%
Taiz	13.9	19.59	19.8%
Al-Hodeida	10.7	36.82	18.7%
Ibb	12.1	13.89	19.8%
Hajjah	8.5	9.09	10.3%

Source: Poverty Assessment 1996

The high rates of poverty in urban areas, in the face of rapid urbanization, are cause for concern in terms of the capacity of cities to generate not only the services, but the jobs required to absorb a rapidly growing population and reduce poverty. Urban households spend about 67% of their income on food (54 %) and housing,(13%). Tobacco and qat expenses are about 11% in both urban and rural areas.

Without access to recent raw data from the Household Expenditure survey, we must rely on the Poverty Assessment of 1998 for characteristics of the urban poor. This assessment characterizes the urban poor on the peripheries of cities as "destitute communities with multiple deprivations." These deprivations include inadequacy of physical and social services and housing, and a breakdown of traditional networks of support. Half of the jobs of the urban poor consist of unskilled regular employment in both private and public sectors, and day labor. Agriculture and livestock still comprised a substantive percentage of employment for the urban poor households (at 14.5% followed by fishing at 13%). Household sizes and dependency ratios were higher among the poor than the non-poor.

In the absence of poverty assessments in cities, there is little data on income poverty and inequality in cities or the living conditions of the poor without access to basic services, their health, nutritional or housing status, making the formulation of specific programs to address their needs, difficult.

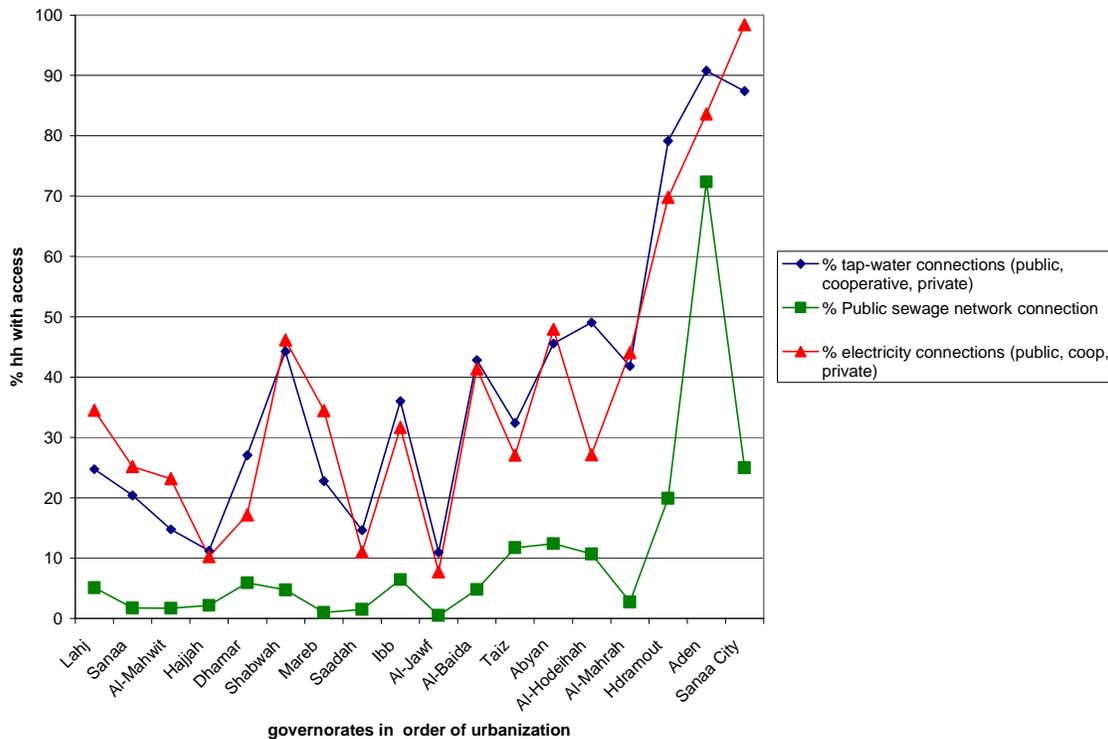
³ A Strategic View of Urban and Local Government Issues: Implications for the Bank; Urban Development Division; World Bank, June 1999.

(iv) *Access to services in urban areas*

Rapid urbanization has outstripped the capacity of most cities to provide adequate access to basic services and housing particularly for the poor. The rapid growth of population and unregulated forms of development has not only increased substandard units on the peripheries, but has resulted in pressures on the historical core of cities and rich urban cultural heritage.

While service coverage rates are well below averages for urban populations in the MENA region, they are higher than low-income country comparators and rural areas in Yemen. However, recent data seem to indicate more significant improvements in service level coverage in rural areas over the 94-98 period than in rapidly expanding urban areas. (see Table 6)

Service coverage rates vary by governorate as indicated in chart below, and are generally positively correlated with level of urbanization with a few notable exceptions. Sewerage coverage rates are the least developed, and the wide gap between water and sanitation connections is a cause of significant environmental problems in the more densely populated cities.



The relatively high rates of access to water, at 87 % for urban households, hides considerable variation in the quality and cost of the services, particularly for the low income population that depends on vendors. There are high rates of dissatisfaction among consumer, and frequent disruptions in service, which force reliance on additional

sources through the private sector. Household connection to public networks serve only about 40-50-% of urban units overall, with the balance of sources consisting of private vendors and cooperative provision, and, in certain instances, wells (12% of urban households still depend on this source).

Solid waste services are also a source of dissatisfaction, with an estimated 50-55 % of the household waste going uncollected in urban areas, for which there are any data. Apart from contributing to the spread of disease in high density urban areas, the uncollected garbage clogs drainage canals and puts into question the sustainability of significant investments in drainage, flood protection and road networks in such cities as Taiz and Sana'a.

Housing in urban areas consists primarily of houses and apartment units (82%) but there is a large stock of substandard units comprising parts of buildings and various forms of temporary units. Crowding is prevalent, with an estimated average of 4 sq. m per person. An estimated 36% of the urban housing stock is occupied by 8 persons or more. This need not indicate shortage in the supply of units or weak demand. Large household sizes and cultural values of extended families living together may account for the high occupancy rate in conventional units. However it is clear that overcrowding is also prevalent in 20% of the temporary substandard units, occupied by the poor. There are also indications that housing may be an issue for relatively low income groups given a reported median housing price to income ratio of 17, which is high for a low-income country.

Yemen experienced a construction boom in the 1990s. The return of massive numbers of expatriates from Saudi Arabia caused the rise of many new structures in Hodeida, Aden and Mukalla, whether shanty towns in squatter settlements or proper housing. The realization of their precarious status abroad, spurred remaining expatriate workers to purchase real estate at home to enhance feelings of personal security. This was aided by the weaker riyal, which sparked competitive bargain hunting in real estate, especially in the south. In northern cities such as Sana'a and Taiz, luxury suburbs grew as property became cheap for those with foreign currency. The three cement plants in Yemen are state owned and their current output of 1 million tons/year is estimated to meet only half the demand, the deficit being filled by imports from Greece, Turkey, and more recently, Iran.

Table 6: Access to basic Services:

	Urban		Rural		Overall		1994
	1994	1998	1994	1998	1994	1998	
Water Network (public, private, cooperative)	85%	87%	24%	31.2%	20%	44.5% (26% public)	
Electricity (public, private, cooperative)	86%	92%	-	23.5%	35%	39.2%	Sana'a: 98% Aden: 84%

Cooking fuel Gas butane	75%	85.8%	22%	39.5%	33%	50.1%	Sana'a: 82% Aden: 68%
Sewerage Public network	-	53.5%	-	0	11%	12.3%	Sana'a: 25% Aden: 72% Taiz: 12%

Source: 1994 Household census, 1998 Household Expenditure Survey

C. Role of Urbanization in Yemen's development

(i) Urban contributions to GDP

Agriculture accounts for about 30% of GDP, half of which is the production of qat. It is hard to disaggregate data and quantify how much GDP is generated in urban areas, because oil production and refining is predominantly concentrated in the Aden area, and because of the important ties of the urban economy with agricultural production. For purposes of this paper, we will thus assume that ***urban areas are the location of economic activity, producing about 70% of value added (manufacturing and services) in the economy.*** This is considerably higher than urban areas in comparator low-income countries which are estimated to generate about 55% of value added.

Urban areas usually provide agglomeration benefits by offering proximity for conducting transaction and pooling employment. Sana'a city accounted for 19.5% and Taiz for 11.9% of all the industrial establishments in Yemen, as per the official statistics on Industrial Establishments. It reports that the number of establishments has stayed practically the same over three years⁴, with only 0.5% of the establishments employing more than 50 people. Supposedly these have generated 114 thousand jobs in 1997, and 115 thousand jobs in 1998.

⁴ These establishments are categorized as follows: *small* 1-4 employees, *medium* 5-9 employees, and *large* 10 employees or more.

Table 7: Number of Industrial Establishments in Yemen

	1996	1997	1998
Small	31,353	31,487	31,665
Medium	1,296	1,277	1,284
Large	0.373	0.373	0.379
Total	33,022	33,137	33,328

Source: Statistical Yearbook 1998

Given data limitations and the fact that much economic activity is informal, it is difficult to estimate the employment generation potential in the cities in Yemen.

(ii) Labor force and employment in urban areas

The Central Statistical Organization recorded official unemployment as 9% of the labor force in 1996, but external observers have suggested figures between 25% and 40%. Unemployment is largely urban and is conservatively estimated to be about 30% (EIU 1997-98). The Civil Service Reform that the government is planning to pursue calls for a 20% reduction in the civil service workforce by 2003. The privatization program will also release a lot of excess labor force (large companies to be privatized in 2000, and small business are being sold). In addition, returnee labor after expulsion of workers from Saudi Arabia after the Gulf War put a lot of pressure on the urban labor markets as described below. The already high dependency rates in the urban areas are also reported to be growing, according to the Household Budget Survey.

Prior to 1990, 1.6 million Yemenis lived abroad, working in the Gulf States, particularly Kuwait and Saudi Arabia. With a reduction in construction programs, labor demand in the Gulf economies has shifted from unskilled Yemeni labor to skilled professionals from other countries. After the Gulf war in 1990, about 1 million Yemenis returned to Yemen (732 thousand according to the 1994 census) , settling down in urban areas. While some had acquired skills and small amounts of capital that was put to use in modest businesses like car workshops, many became unemployed.

(iii) Potential contribution of Urbanization to Yemen's Development

The rapid urbanization taking place in Yemen, can, if managed well, be an important contributor to overall macroeconomic growth and poverty reduction. The transition needs to be viewed within Yemen's national framework as an instrument for engaging all levels of government, the private sector, civil society in Yemen, and the donors in a shared commitment to Yemen's balanced integrated development.

(iv) The Importance of Urban Management Structures

As the discussion above indicates, cities in Yemen are the location of much economic activity and wealth creation, yet their rapid growth and weak management and financing structures have constrained their capacity to provide the services needed by

both households and enterprises, and to fully exploit the benefits of agglomeration. Despite rapid growth of urban areas in Yemen, there is no central level authority concerned with development and formulation of urban development policy. The deconcentrated units of central ministries that are responsible for municipal development, tend to treat the various municipal functions as separate and unconnected tasks.

If cities are to play a proactive role in their own development, this will require institutional arrangements that lead to integrated physical and economic development of cities, and mobilization of the resources necessary to finance infrastructure investments. This would necessitate a change in the current structure where physical planning and decisions on investments in the provision of infrastructure services in cities is a centralized uncoordinated technocratic exercise. Current practices in planning and physical investment decisions are completely divorced from local economic realities, or notions of accountability to residents, and do not take into account resources required to effectively maintain the physical assets and ensure the sustainability of investments.

Deconcentrated departments of Central Ministries (reporting to and dependent on approval from their offices in Sana'a) undertake most of the planning and execution of urban services projects. The structures are sectoral in nature, with each sector preparing their own master plans for investment without reference to one another, or, as importantly, to resource availability and the economic consequences of their physical plans. In some cities, such as Aden for example, which has the potential of becoming an important growth pole, there are three unrelated master plans for various parts of the city including the new port and industrial zone which fail to integrate the infrastructure needs of the new economic projects with those of the rest of the city. In Sana'a, growth has occurred outside the areas designated by the existing master plan, in locations with access to infrastructure. The designated "growth" areas remain undeveloped due to lack of resources, and, yet, the physical planning response has been to further expand boundaries and build additional roads, to maintain normative notions of appropriate densities and land-use patterns which are divorced from existing realities.

Resources for physical investments come primarily from the budget allocations of the Ministry of Construction, Housing and Urban Planning (MCHUP), which also collects many of the service charges. ***There is no one agency that has overall responsibility for developing a cohesive integrated framework for policies and investment needs in cities with a view to maximizing the growth and poverty reduction potential of cities in Yemen.*** In fact, there are a number of agencies with overlapping responsibility for infrastructure investments in cities, with no coordination or prioritization based on specific needs or bottlenecks to growth, between them. (see Box 1 below).

Box1: The various agencies responsible for investments in urban areas

The Ministry of Construction, Housing and Urban Planning (MOCHUP) has responsibility for most urban services and overall planning. **In fact, municipalities are technically departments within the branch offices of the Ministry of Construction.**

The Director General of the Municipality reports primarily to his line ministry. MOCHUP is divided into three sectors: (a) Housing and Urban Planning Sector whose main responsibilities consist in providing assistance for Low-income housing, through the provision of land at low costs and by implementing basic infrastructure plans. The Urban Planning section's main objective is developing the National Master Plan and guidelines for the development of all Yemen cities and towns, (b) construction sector undertakes detail design and construction supervision of roads and government buildings, and (c) Municipalities and Environmental Sector is responsible for assisting municipalities in improving solid waste management and environmental health.

The National Water & Sanitation Authority (NWSA), an autonomous public agency, is responsible for capital investments for the distribution of potable water in urban areas with populations more than 30,000 people, as well as for the operations and maintenance of the systems.

Transport and Roads: The different agencies, organizations, and ministries associated with planning of roads and road construction, maintenance, management, traffic operation, and control are: Ministry of Construction, Housing, and Urban Planning (MCHUP), Yemeni Board of Road Maintenance Fund (YBRMF), Roads Department (GCRB), Transport Department, Master Planning Department, Traffic Police Department.

The Ministry of Culture & Tourism (MCT) is responsible for the implementation of basic services projects in identified tourist sites, as well as for cooperation within the Ministry and with other agencies including the Ministry of Construction, Housing and Urban Planning. Other governmental organizations involved in cultural heritage and tourism include the General Tourism Authority (GTA); General Organization for Antiquities, Manuscripts and Monuments (GOAMM); and General Office for the Preservation of the Historic Cities of Yemen (GOPHCY).

The Ministry of Local Administration: As its names implies, this ministry deals with all aspects of local administration from the national perspective. Its mandate includes approval of annual budgets of the Governor's and District Director's offices, supervision and monitoring of their activities, administrative organization, personnel and manpower planning and training. In consultation with other line ministries such as Planning and Finance, the ministry approves governorate and district investment projects. This ministry has played an important role in drafting the "local administration law"; however its ability to implement and operationalize local law and its capacity in planning, monitoring, evaluation, and training are rudimentary.

(v) *Proposed Decentralization and the Cities*

Yemen's highly centralized structures do not allocate responsibilities to local administrations in cities for very basic services, such as street lighting, drainage, internal road maintenance and solid waste, which are commonly the purview of municipalities even in the other centralized countries in the MENA region, or in other low-income comparators in Africa. Sana'a city, which has a special status and access to resources, does not exercise much authority over the planning and financing decisions on infrastructure services, including solid waste and street lighting, as Table 8 indicates. Expenditures at the city level are difficult to track for most cities, with the exception of Sana'a because of its special status. Examination of Sana'a's budget indicates that most of its expenditures (90%) are devoted to wages, with only 1% spent on maintenance, and very little remains for capital investment. Most of the capital investment in Sana'a is, in fact, centrally determined and financed.

The proposed and long-awaited Local Authorities Law, is intended to change the existing centralized public sector model of service delivery and financing to a more decentralized system. This is intended to improve the efficiency, accountability and responsiveness of the public sector and service delivery. However, there are several challenging issues that must be confronted if the implementation of this law is to lead to successful decentralization, and improvement in services provision and financing at the city level, rather than a devolution of a number of functions without the necessary resources.

While the draft law makes reference only to Districts and Governorates, all governorate capital cities will be designated as Districts and the Capital Secretariat of Sana'a will remain a separate administrative unit. The current draft law is unclear about which functions will be devolved to the local level, or how they are to be financed. It is expected that once the law is passed, the by-laws would eventually provide greater clarity as to which services will be devolved to the governorate and district levels. Given that there is no clear assignment of functions, as yet, it is disconcerting that revenue assignments and types of revenues that are to be levied by subnational entities are specified in the law without reference to expenditure responsibilities and their nature. The resources to be made available to Districts are generally limited to half of the Zakat tax and a disparate array of fees and charges, which are to be decreed at the Central level. They are unlikely to generate sufficient revenues to undertake the capital financing, operation and maintenance of a broad range of services.

In addition, subnational governments are to have access to: a number of shared "taxes" (zakat and various fees and charges) between the Governorate and District level; shared taxes collected at the central level (surcharges on air and sea travel, gasoline, half of the proceeds of various funds); and central subsidies allocated to administrative units at the national level. The latter provision seems to imply that central government expenditure will be counted as a central transfer to local authorities, earmarked to support central administrative units' projects. At the same time, the draft law specifies that current expenditures of all administrative units will be financed centrally, without being clear if this includes maintenance. While both the shared central charges and "central

subsidy” are to be allocated on the basis of certain criteria, it is important that the rules governing these “transfers” be simple, monitorable, and transparent and that an element of predictability be introduced.

Implementation of the law will require a clear and commensurate assignment of revenue and expenditure responsibilities; *finance should follow function, rather than the reverse*. Making the law operational will require greater consideration of the design of intergovernmental transfer mechanisms, to ensure that they provide appropriate incentives and accountability for service delivery. The present draft law raises too many questions as to the adequacy of both locally designated revenues and the necessary central transfers. Beyond these important issues of design of the local finance system, there is clearly a need to set up a system for building up capacity and skills at the local level in capital investment planning, accounting, budgeting, contract and financial management, and overall management of services and projects. All of these functions are new at the local level and capacity clearly lacking. This will require strengthening the capacity of the central government Ministry of Local Administration to perform the role of both monitoring local government finance and providing training and assistance to local governments.

Capacity, both fiscal and operational, may also differ across governorates and districts. This puts into question whether a uniform set of local expenditure responsibilities for a broad range of physical and social services can be applied at the outset, or whether a core set of urban services necessary to manage rapid urban growth should be defined initially, with additional services included as capacity is increased. Additionally, not all investments need to be supported by local or central finances. Opportunities for partnership with the private sector for certain services, have not been fully examined; nor those for partnership with community based groups in low-income areas.

Table 8: Service delivery organization and resource decisions in Sana'a

Sector/ Institutions	Planning	Development & Capital work	Monitoring & Supervision	O& M	Distribution	Revenue Collection	Budget Allocation
Water <i>NWRA water Sector</i>	√ √	√ √	√ √				√
<i>NWSA City level NWSA Branch</i>				√	√	√	
Sewerage & drain <i>NWSA City level NWSA Branch</i>	√	√	√	√	√	√	
Solid Waste <i>MCHUP- Sector MCHUP Branch Municipality (Mayor)</i>	√	√	√ √	√ Enforce laws	√	Limited	√
Housing <i>MCHUP MCHUP Branch</i>	√ building permit MCHUP	√ (Plot, House)	√		√	√	√
Credit Housing Bank		Retail finance	√		√	√	MCHUP
Streetlight <i>MCHUP MCHUP Branch</i>	√	√	√	√	√	N A	√
Road <i>MCHUP GCRB YBRMF</i>	√	√	√	√			√ MCHUP MoF
Transportation <i>GLTC</i>	√	√			Passenger & Freight Traffic	√	MOT
Market & Properties <i>MCHUP MCHUP Branch</i>	√	√	Rental stock		√	√	√
Park & Garden <i>MCHUP MCHUP Branch Municipality (Mayor)</i>	√ √	√	√ √			√	√ √

Note: MCHUP- Ministry of Construction, Housing and Urban Planning, NWRA-National Water Resource Authority, MoT- Ministry of Transport, MoF- Ministry of Finance, GCRB-General Corporation of Road and Bridge, YBRMF-Yemen Board for Road Maintenance Fund, N.A-Not Applicable.

D. Key aspects of urban knowledge base

Apart from data on urbanization trends at the national and governorate level, there is an almost complete absence of disaggregated data at the city level, or much knowledge of even the capacity of deconcentrated administrative structures in cities. Much of the information at the city level tends to be sectoral in nature. There is little urban level data on the functioning of land and housing markets, land use policies and their impact on location of employment, infrastructure investment, and access by the poor, the characteristics of urban poverty, employment, the sources of growth in city and regional economies, the linkages between the city and its hinterland or trends in the cities. The available knowledge base is thus weak, and does not, in its current state, lend itself to sound analytical work that will need to be the basis for developing a cohesive and sustainable strategy for urban development in Yemen, or for prioritizing among investment needs. Several sectoral surveys are planned or are underway (for example, a survey of microenterprises that have a 40% sample in the top ten cities), and to the extent possible, it would be efficient to ensure disaggregation of city level data from these studies to initiate a knowledge base of cities. Perhaps as important, the dialogue in this sector has been lacking in recent years, where key “urban interventions” have been largely through infrastructure projects, (public works, flood control) with deliberately limited objectives, devoid of specifically urban policy content and capacity-building components. This has had an impact on the nature of the knowledge and analysis available on key government policies in this sector and the prospects for achieving them. This is particularly true with respect to issues (which were important in early projects) such as land, the living conditions of the urban poor, and reform of the regulatory framework for urban development. This gap in knowledge should be mitigated through the ongoing Urban Management Study, and the analysis to be undertaken on Aden’s urban development, funded through the PHRD grants.

E. International Regional Comparators

Table 9: Access to services as % of urban population

	<i>Access to safe water</i>	<i>Access to sanitation</i>
Lebanon	93%	
Iraq	92%	85%
Tunisia	100%	100%
Iran	98%	86%
Morocco	97%	97%
Egypt	95%	95%
Syria	96%	97%
Yemen	74%	40%