

Integrated Housing Development Program (IHDP) As Instrument to Alleviate Urban Poverty The case of Addis Ababa

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SUMMARY

The city administration of Addis Ababa is undertaking a massive integrated housing development program to address the acute housing problem of the city since 2006. Housing supply is not the only goal of this program; instead its ultimate desire is to use Integrated Housing Development Program (IHDP) as a tool to reduce urban poverty, which is the prime concern of the city. IHDP has primarily aimed to provide mass housing to address the housing problems of the city. It also aimed among others; to create huge employment opportunity, provide basic infrastructure facilities, facilitate mortgage access, promote affordable payment modality, promote urban renewal to reduce slum areas, promote targeted subsidy to women and disable residents, promote economic use of urban land and introduce cheap construction technology. Since its launch in 2006, the program has achieved enormous successes that include among others;

- Construction of more than 100,000 apartments that have housed 0.5 million residents,
- there are another 100,000 apartments near to completion and expected to be transferred to citizens until June 2014,
- The program has created job opportunity for more than 200,000 residents which are organized in 3,000 SMEs,
- Many dilapidated slum areas were converted to attractive living and working areas.

All the aforementioned achievements have enormously helped to reduce the poverty level of the city.

There are several reasons that can be mentioned for the success. The main reasons include; presence of strong political commitment, allocation of own resources which is vital for sustainability, public participation and consultation, targeted subsidy as means of wealth sharing, promotion of gender sensitive affirmative action (30% of houses are allocated to women) and recognition of the informal sector as development partner.

The program has encountered several challenges during the implementation period and remedial measures were taken to overcome the challenges which as a result have improved the progress and quality of the program.

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1. BACKGROUND

Ethiopia is an ancient country with history of 3,000 years and population of 84 million is located in the horn of Africa covering an area of 1.13 million square km. It is amongst the least urbanized countries in the world where only 17% of the total population is urban, but it is one of the countries where high urbanization rate is taking place. The average urbanization rate is 4.2% per annum and in some urban centers the rate is even as high as 6%. (CSA,2008)

Ethiopia is a federal country that has four layers of administrative levels namely; from the higher to the lower, Federal, Regional, Woreda, and Kebele level administrations. The country is ruled by a democratically elected government held every five years and ruled by a prime minister.

The country's economy is dominantly agrarian where 83% of the population is engaged. Only the 17% urban population is engaged in non agriculture economic sector. This rate is even below the African average which is now nearing 40%. But, the urbanization rate is one of the highest in the world with average growth rate of 4.11%. (UN-HABITAT, 2010)

Addis Ababa, which means "New Flower" in the local language, is the capital city of the country and its population is estimated to be around 3.5 million. The city is taken as the capital of Africa for being a site of African Union (AU), Economic Commission for Africa (ECA) and other continental and international organizations. On top of this, Addis Ababa is reputed to be the fourth city after New York, Washington, and London to have the largest collection of diplomatic missions in the world.

The city is founded by Emperor Menilik II before 125 years. It is located on a rugged and self draining landscape with an average altitude of 2,400 meters above sea level. It has an annual average rainfall of 1,161 millimeters and its area is estimated to be 54,000 ha. (MWUD, 2010)

The previous centralized political and economic systems of the country put Addis Ababa to be a primate city. Simple comparison justifies this fact. As it was mentioned above, the population of Addis is over 3.5 million, but the second standing city in the country has only around 500,000 inhabitants. This big difference is true as well in the economic, physical and social infrastructure aspects. Addis Ababa alone accommodates near to 30% of the urban population of the country and most of the manufacturing industries are located in or in the vicinity of the city. (MWUD, 2010)

2. SITUATION BEFORE THE IHDP

Addis Ababa has its own administration led by a mayor and is accounted to the prime minister's office. The city administration is divided into ten *Kifle-Ketemas* (sub-cities) and the *Kifle-Ketemas* are again sub-divided into 99 *Woredas* (localities), which are the lowest administration levels of the city. Executing routine municipal activities like solid waste management, tax collection, registration of vital statistics, issuance of identity cards, social court service and sub-city & neighborhood level development works which include construction of local roads and drainage networks are among the major responsibilities which are recently decentralized to *Kifle-Ketemas* and *Woredas*. The city administration is limited itself to city level policy making, city level tax collection, city level development works, capacity building, and supervision activities among others. (IHDP, 2011)

Until recent times, the role of urban centers in the economic development of the country has neither been recognized nor given the due attention. This situation left urban centers around the country, including Addis Ababa, with complex and deep rooted social and economic problems. Here below, some of the pressing urban development issues are discussed to briefly expose the situation of the Addis Ababa before the IHDP.

2.1 Housing

There was a shortage of 400,000 housing units in the city. The number will certainly rise considerably if we add the large number of public owned houses (46% of the total housing stock of the city) that require major maintenance or replacement. 24.8% of households are overcrowded where more than two persons per room are living (the UN-HABITAT minimum standard). Near to 9% of the households do not have a toilet facility at all and 51% of households share toilet facilities. Almost 30% of all households in Addis Ababa do not have separate rooms for cooking. The urban poor in general, the women and the disabled in particular are the most affected by this severe condition of the city. (IHDP, 2011)

When we see the state of tenure security, only 43% of the residents have the legal documents of home ownership. These people either own or rent the properties they occupy on a long-term basis.

2.2 Slum Areas

A study conducted to design the implementation strategies of the Millennium Development Goals (MDG) has found out that 80% of the population of Addis Ababa is living in slums. These slum areas are characterized by unplanned and densely populated neighborhoods with no or little basic infrastructure and municipal services, illegal occupation of land and thus absence of tenure security, bad housing condition and overcrowdedness, polluted environment created by lack of proper sanitation facilities, disaster prone settlements, high rate of HIV/AIDS, high birth and mortality rate, higher crime rate

and delinquency, vulnerability to all kind of risks, high rate of unemployment, high rate of informal economy that has highly supported the formal economy and that has created the highest rate of job opportunities to the urban poor, no access to formal financial institutions, low productivity and thus low economic growth are amongst the physical/environmental, social, and economic characteristics of slums in Addis Ababa. (GULYANI, 2002)

2.3 Social and Physical Infrastructures

Social infrastructures that include schools and health facilities, entertainment facilities; physical infrastructures which include roads, drainage facilities, potable water, street lights, solid and liquid waste collection services etc. are not at the reach of most of the city dwellers. These basic needs are non existent or are not properly provided to the dwellers or are not properly managed if at all they exist. According to the UN-HABITAT recent assessment report on Addis Ababa, 11.5% of households in Addis Ababa do not have access to improved water and 28% of households faced frequent disruption of water. Most of neighborhoods do not have adequate access roads, drainage facilities, street lights etc. still the urban poor is the most affected by this situation.

2.4 Environment

The environmental condition of the city as a whole and the slum areas that has consisted the largest portion of the city population in particular, is very bad and remained to be the major reason of health problem in the city. Uncollected waste dumped at local roads, open-air toilets, river pollutions that have affected the down stream population as well, and the like are among the environmental problems of the city. The awareness of keeping neighborhoods clean is low and the policy frame work in environmental protection is very weak. Many residents does not even know the existent of such polices.

2.5 Level of Urban Poverty

50% the population of Addis Ababa is living under the UN set poverty line (less than two dollar income per day). The unemployment rate of the city is near to 42%. Low and unreliable source of income, limited financial resources, and engagement in home-based micro businesses and other informal economic activities (it accounts 60% of the total economy) characterize life for most of the city dwellers. (UN-HABITAT, 2011)

2.6 City Governance

Until recently the city administration did not gave the due attention to the complex and deep-rooted problems of the city. Lack of good governance, wide spread corruption, lack of vision and appropriate implementation strategies, lack of commitment and attitudinal change, absence of the proper participation of all development actors, centralized service provision that has proved its inefficiency etc. are among the manifestations of the

previous city administration of the city. In addition, weak capacity of public institutions, non-representation and prosecution of inhabitants either in their work or dwelling areas, and unsupportive policy environment make inhabitants unsafe and overlooked.

To summarize, the political, the socioeconomic, the physical and environmental, the cultural etc. situation of the city are far behind from satisfying the minimum requirements of citizens. Hence, this mismatch has demanded a total change of institutional arrangement and a breakthrough in addressing the massive urban problems of the city.

3. NEW ADMINISTRATION WITH NEW VISION

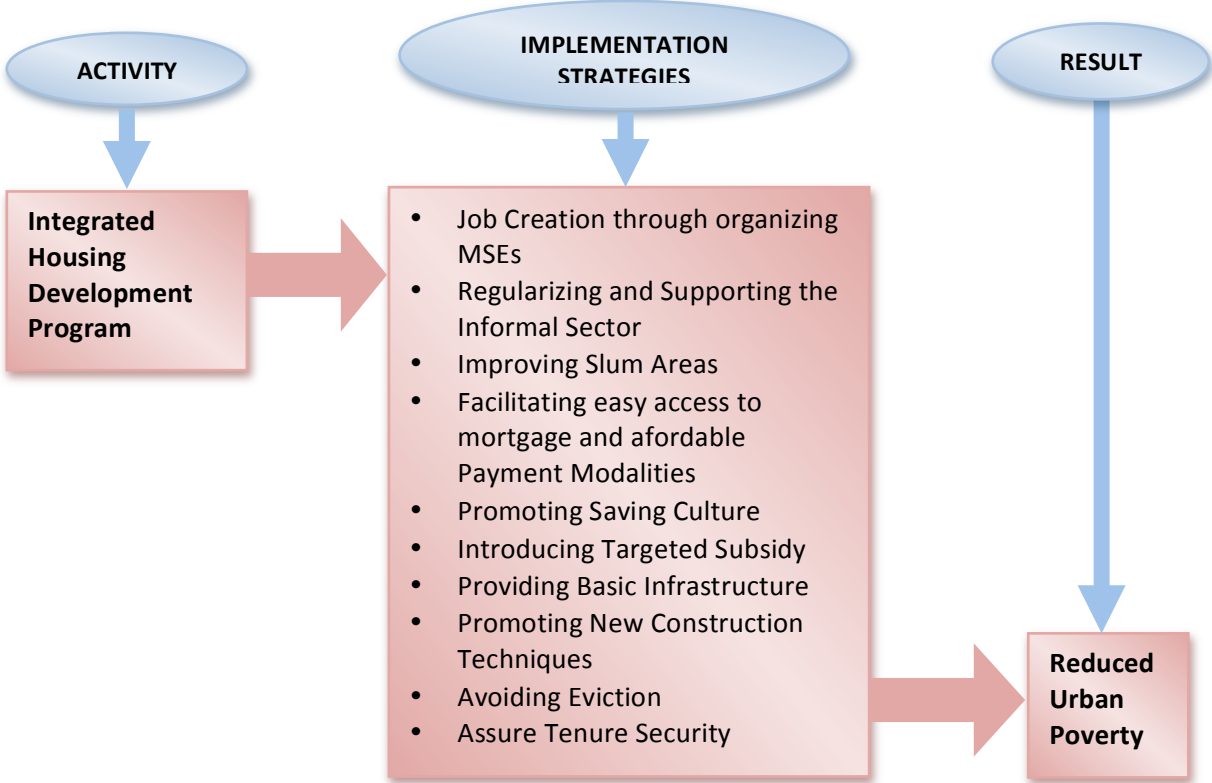
It is only few years since the city administration has replaced and took an initiative to commit itself to reverse the aforementioned situation. The newly elected city administration has set a vision and implementing strategies through the participation of the residence and other development partners to alleviate the wide spread urban poverty. To materialize its vision the city administration reorganized itself and decentralized power and resources to the newly organized *kifle-ketemas* and restricted its role and responsibilities to the city level policy making, huge development activities and capacity building. It has organized serious of workshops, forums, and consultative meetings with residents and other stakeholders to identify and prioritize basic urban problems of the city and debated on intervention strategies that can improve the present situation.

Taking in account the extent of the problem, launching a massive housing development program is taken as one of the major intervention sector to reduce the poverty level of the city. This housing development program is not meant only to supply housing, rather it envisaged to alleviate the rampant urban poverty through:

- Creating massive job opportunities,
- Improving slum areas,
- Providing basic infrastructure facilities
- Recognizing and strengthening the informal sector ,
- Introducing well targeted subsidy to women and disable residents,
- Promoting economic usage of the scarce urban land,
- Facilitating access to mortgage and affordable payment modalities,
- Promoting saving culture among the residents,
- Promoting new construction techniques which can reduce cost, wastage, and time,

In light of this, the city administration has undertaken a pilot project, which constitute the construction of 700 housing units to test the effectiveness of the program. After the successful completion of the pilot project, the programme has been scaled-up to its full scale and become one of the major tasks of the city administration in each fiscal year.

Figure 1: Housing development and implemented strategies to reduce urban poverty



4. ACHIEVEMENTS

Since it was started, the Integrated Housing Development Program has scored significant achievements in reducing urban poverty and proved that it is one strong and effective instrument to alleviate urban poverty. Among others the following are the major achievements of the program.

4.1 Supplying massive housing units to residents

Provision of housing to citizens is one of the main goals of the program. This program planned to construct 200,000 apartments in its initial plan and it is nearly in completion. The programme has completed and transferred half of the planned quantity to citizens and the other half is nearly in completion even if there is a delay due to limited capacity and management drawbacks. In the future, the city government has planned to supply more than 50,000 apartments each year and is in a better capacity to undertake this task. (IHDP, 2012)

Around 100,00 households, which accomodates half a million residents (with assumption of 5 people by household) (CSA, 2008) have directly benefited from the housing supply.

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These households now own a house with tenure security, so start to live a decent life. Thanks to the easy payment modality which is conscious of affordability of the residents and the subsidy that helped to reduce the cost of the apartment, the low and medium income residents are highly benefited and continue to benefit from this housing scheme. The other positive decision taken in this program is the allocation of 30% of the apartments for women. (IHDP,2012)



Pic 1: Pictures of some of the apartments completed and transferred to residents

4.2 Creating job opportunities

The other important objective of the program is to create large number of job opportunities to reduce the existing massive unemployment rate. In this regard, IHDP has created job opportunity for 200,000 job seekers who are organized in more than 3,000 Medium and Small Enterprises (MSEs). (IHDP, 2012). Vulnerable section of the society and woman in particular have benefited from this employment opportunity. Large number of young graduates of technical and vocational schools are benefited the job opportunity and acquired skill that has helped them to be competitive in the labor market as small and medium level contractors, construction material suppliers, consultants, labor workers and the like.

4.3 Recognized and Strengthening the informal sector

The informal sector is recognized and formalized through, providing them adequate working place and removing the bottle-necks to regularize. This has benefited large number of citizens engaged in the sector. On top of this, the city administration has provided tailored trainings and credit facilities to these informal sectors to help them expand their business. They also are empowered to organize themselves in cooperatives and given small contract works in the housing development program.

4.4 Facilitating easy access to mortgage and affordable payment modalities

Access to mortgage and affordable payment modality is arranged by the city administration to enable inhabitants become house owner. Residents are required only to pay 10% or 20% or 40% upfront payment depending on their income category and the remaining payment will be paid by the bank in the form of mortgage which later will be

paid back by the house owner each month as a form of rent to be completed between 15 to 20 years.

The city administration has subsidize the houses so that they can be affordable by the low income residents as well. The subsidy include provision of free urban land for the houses and covering cost of basic infrastructure facilities that include roads, main line for water supply, electricity and telephone.

4.5 Promoting saving culture among the urban poor

Extensive awareness creation campaign was executed through media, workshops, conferences, community organizations etc. to win the hearts and minds of the residents on the culture of saving. People are told that they need to save any amount they can afford to benefit from this ambitious housing program in the history of the city. Savings can be made both in formal and informal institutions and a person can save even the smallest coin he may afford. This effort has made people to have a vision to their life and avoid extravagant life style.

4.6 Undertaking urban renewal

As mentioned in the previous section, 80% of Addis Ababa is considered to be slum. (MWUD, 2010) One of the objectives of this program is to upgrade or where it is necessary to renew slum settlements. In light of this, most hazardous sites are identified in the city and housing development is taking place in this areas as per the local development plan of the area. This intervention has totally reversed the previous deteriorated environmental conditions and gave a new attractive and healthy look to the then slum areas. And successive similar interventions has considerably changed the look of the city and make once uninhabitable areas to become attractive parts of the city.



Pic 2: The IHDP is transforming slum areas to planned and attractive part of the city.

4.7 Introducing new construction techniques which can reduce cost, wastage and time

The conventional way of construction methods and techniques proved their inefficiency in terms of cost reduction and simplicity. This housing program has introduced cheaper

and easily adaptable construction techniques and materials that have reduced the construction cost nearly by 20-30%. (IHDP, 2011)

4.8 Promoting economic usage of the scarce urban land

Land is a scarce resource that requires efficient usage. This housing development program is conscious of this fact and through design solutions and densification (these houses are ranging from G+4 to G+12 buildings) it tried to economize the urban land. This approach has helped to get extra space to arrange play grounds, green areas, and construct other neighborhood facilities. And it has helped to reduce the cost of infrastructure considerably as well.

4.9 Providing basic infrastructure facilities

Access roads, improved water facility, electricity and telephone lines, play grounds and green areas, drainage facilities, sanitation facilities and other basic facilities are incorporated in the housing development program. The provisions of these facilities add to the living quality of the new neighborhoods and people have started to realize the contrast between their previous and new living environments, which is gradually modernized.

To summarize, the aforesaid achievements are very much visible and has benefited the target group. This achievements has proved the success of the integrated housing development program, which has played an important role on the effort of the city to alleviate urban poverty.

5. CHALLENGES ENCOUNTERED

Praising this program does not mean that it absolutely is clean of any kind of problems or face no challenges. Being the first in its kind and massive in its scale, the program has encountered the following problems so far in its course of implementation.

- When the program was first started the limited capacity of the government structure and other development partners has threatened the progress and quality of the program.
- The absence of coordination among utility providing companies which has caused frequent delay on the progress of the program.
- Almost all of the target residents are used to live their entire life at ground level where they have a strong attachment to the natural ground. The houses constructed in the program are G+4 and above that force people to live on floors contrary to their way of life is not used to be. At initial times complaints are heard and people have resisted to live on floors.
- There also is a fear on the management of common use facilities like neighborhood play and green areas, septic tanks, waste management, stairs, parking areas etc...

- Private owners are complaining about the amount of compensation they are paid as it is less than the market price.
- The other problem that many are sharing is that the program has not included the poorest of the poor; residents with no or limited income which have difficulty to fulfill the minimum upfront payment, which is set as requirement.

The city administration has taken appropriate measures to tackle the challenges mentioned above. It has tried to bring all stakeholders and the community together to consult and find suitable solutions for the problems encountered during the program excussion period. Some of measures taken to tackle the problems include;

- Affordable payment modalities are introduced to accommodate the poorest segment of the population,
- Extensive trainings and capacity building measures are provided to enhance the capacity of local authorities and development partners,
- Utility providers coordination office is established and started to plan and execute together,
- Residents Committee is established to manage common facilities in each site,
- High level committee has been established to investigate the complaints of residents including protest on the amount of compensation,
- Residents are encouraged to live on higher floors by providing incentives.

6. LESSONS LEARNT

There are multiple lessons learnt from this integrated housing development program. The lessons drawn among others include;

- The need for strong political commitment and determination at all government administration levels. This is very vital for the success and sustainability of the program.
- The need to rely on own resources to fund projects that will guarantee the sustainability and that help to the fair redistribution of national resource among the citizens. The government is using tax payer’s money to avoid relaying on foreign money which is always uncertain and coming with conditions.
- The need for sound public participation at every level of decision making process, and building partnership with other development actors, which are very crucial for any development programs to be successful.
- The need for carefully targeted subsidy for the vulnerable part of the society in general, for women and disabled citizens in particular, to assure equity and fair distribution of wealth.

- The need for the recognition of the informal sector as development partners instead of chasing them as outlaws and informal.
- The need for decentralizing power together with resources to the lower levels of administration for the reason that they are nearer to the population and to the problems.
- The need for assuring tenure security for inhabitation to build their confidence in investing on housing and other neighborhood development activities.
- The need for capacity building for all administrations levels, SMEs, contractors and consultants, suppliers and the community so that they can be competent to undertake their responsibility.

7. CONCLUSIONS & RECOMMENDATIONS

7.1 Conclusions

This housing development program has proven the decisive role of city governments in making difference as long as they are committed and determined to do so. People always are conscious and support any development program as long as they are convinced as they are the beneficiaries. The effort of the city administration has cultivated an optimistic attitude among the citizens about the future development of the city. If the recent strong commitment of the government sustained, indeed the millennium development target set for the city will be achievable and the urban poverty level will certainly be reduced significantly.

7.2 Recommendations

The following recommendations are forwarded to improve the success and quality of the housing development program.

- To continue periodic reviewing of the progress of the program and to act quickly on problems identified. This will assure the smooth implementation of the program and assure transparency.
- To respect the conformity of site selection with the city land use plan to avoid any mismatch with the city plan.
- To protect historical sites and heritage buildings at the time of slum renewal and/ or upgrading.
- To initiate and fund further researches works by independent parties (by private consultants or higher education facilities for example) on the impact of the program.

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The author of this paper is a senior urban development professional who has specialized in urban planning, land administration, housing and livelihood issues. The author has extensive career experience in public and private sectors, in NGOs and in international organizations for the last 20 years from junior expert to managerial levels.

Major Activities conducted during my career experience time among others include:

- Produced policy papers and its implementation regulations and guidelines on urban land management of the Amhara Region. This includes conducting pre-policy studies, preparation of policy papers and preparation of implementation of regulations and guidelines.
- Prepared urban plans and local development plans for more than 35 urban centers in Ethiopia with the capacity which is ranging from senior urban planner to team leader.
- Participated and played a coordination role in promoting cadastre in Bahir Dar city and provide training and advise to other urban centers on how to materialize cadastral system.
- Worked in community development programs with NGOs and government institutions focused on poverty alleviation, livelihood restoration and resettlement activities.
- Provide trainings for students, urban professionals and Municipal councilors in universities and in other institutions focusing on urban planning, land administration, cadastre, housing development and other urban development issues.

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