Addis Ababa Integrated Housing Development Program: A strategy for Urban Poverty Reduction and Sustainable Socio-Economic Transformation

Mekonen Wube Ermed
Urban planner, M.sc
Addis Ababa Housing Development Project Office, Sub City Project Manager
mekonen_e@yahoo.com; +251911408403
Addis Ababa, Ethiopia
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Introduction

Rational of the project

“Cities without slum” by 2020 (Millennium Development Goal)
- Reduction of poverty by 50% up to 2015 (Internationally agreed Millennium Development Goal)
- **Housing**, second essential human need, next to food and water,
- Housing considered as the major development task to reduce urban poverty and improve the lives of slum dwellers and to bring sustainable socio-economic transformation.
- Population: estimated 3,470,000
- Area: about 540 km²
- Poor living standard,
- High level of unemployment (40%)
- Housing deficit: about 350,000,
- About 70% of the population lives in slums with inhuman and unhygienic conditions,
- 35% of the solid waste generated by the city is not collected,
- Only about 9% of the built up has connected with a sewer system,
- About 71% of households do not have adequate sanitation (UN-HABITAT, 2008).
Widening income disparity,
Deepening poverty,
Overcrowding, deterioration,
Rising unemployment,
Severe housing shortage,
Poorly developed physical and social infrastructure and
the increasing of slum and squatter settlements.
Almost 50 percent of these slums dwellers lives below the poverty line and their hardship are enormous.
To enable low-income urban dwellers to acquire homes of their own,
Alleviation of urban poverty through the participation of Micro and Small Enterprises (MSE) and creation of employment opportunities in the construction sector which can absorb more labor force,
Changing the image of the city so as to meet international standards,
Transfer of knowledge and skill to the construction industry,
Promoting cost efficient housing construction technology,
Empowering citizens of the city through ownership of houses and tenure security
Target population

- Low income people, special attention to women headed households,
- Micro and Small Enterprises (MSEs)

Indirect beneficiaries

- All citizens through the growth of other activities,
- The market opportunity created to local suppliers and producers

Direct beneficiaries

- Low income people,
- Skilled and unskilled Laboures working on the construction sites,
- Micro and Small Enterprises,
- Construction contractors (special attention were given to women contractors)
Project Activities

- Inner city improvement,
- Maintaining the livelihood of the poor
- Promoting effective use of the scarce resource,
- Creating job opportunities,
- Encouraging the use of low-cost construction technology,
- Facilitating housing finance,
- Promoting saving culture among the poor,
- Promoting Micro Small Enterprises,
- Implementing on job training on the construction sector.

Project Responsibility

- Executing design works, distribution of major construction inputs, human resource and financial management, expansion of construction capacity,
- Direct and supervise the construction works,
- Enhance the capacity of micro and small scale enterprises by making them participant in the programme,
- Lay down training system in relation to the construction industry,
- Hand over or transfer the houses to the beneficiaries.
The city’s government annual financial budget,

- Financed mostly through the sale of housing units on a lease basis with repayment periods of up to 20 years.
- Sells the commercial facilities built in the context of the condominium development on a market basis.
Direct Results

- Provision of decent houses, (80246 condominium houses in the last five years).
- Created job opportunities,
- Inner city improvement (slum areas redevelopment),
- Promoted economic use of the urban land,
- Promoted saving culture among the poor,
- Encouraged an environmentally friendly approach,
- Facilitated affordable payment modalities,
Overall urban development and management,
Changing the image and development direction of the city,
Decreased the housing price and facilitates its accessibility,
Contributed directly to poverty reduction, sustainable livelihoods and pro-poor growth,
are increasingly recognized as political subjects,
a great sense of relief and an improved sense of security in having a stable place to live.
Overview of housing development
Skill improvement, Employment and Income creation (sustainable livelihood)
Employment creation through housing development
Factors for success

- Political commitment (readiness and great ambition and vision),
- Different stakeholders were active participants to set up and strengthen the project office,
- The strengthening of technical, financial and professional capacity of the construction industry and
- Increased emphasis on education and training for implementing bodies
- The participation and cooperation between concerned actors throughout the project cycle was crucial for the success.
- Learning from its failure,
- Coordinated efforts and commitment from all stakeholders especially from the political leaders,
- Public-Community-Private partnerships
- Understanding the linkages between poverty and housing,
- There is strong correlation between improved housing and the poverty reduction efforts of governments.
- Enabling environment and sustained commitment,
BUILDING

City government

Professionals

Consensus, Understanding, Agreement

Learning Process

Affected local people

Source: Author
What is required to implement such a project in other areas?

- Positive attitude,
- Government’s commitment and believes for development,
- Effort of the government to strengthen and mobilize resources such as knowledge, skill, capital resources,
- Analyze the contextual, cultural, socio economic and environmental characteristics of the area to be developed,
- Start with a flexible application, which can constantly get revision and rectification,
- Effective policy shift,
- Participatory governance and accountability,
- Establishment and expansion of existing financing tools,
Summary

Inputs
- Subsidies on construction inputs
- Subsidies on loans
- Introduction of new Technologies
- Skill developments
- Coordination of various activities

Activities
- Low cost housing construction
- Creation of MSEs which use input saving technology

Outputs
- Low cost housing available for poor people
- Employment creation
- Skills development
- MSEs created

Outcomes
- Improved varies urban livelihoods particularly for low income residents, through employment opportunities and provision of decent & affordable housing
Thank you