ADDIS ABABA HOUSING DEVELOPMENT PROJECT as a strategy to tackle the multi facet problems of the city of Addis Ababa

Ethiopia

MEKONEN WUBE ERMED

Organization type:
government
Budget:
$1 million - $5 million
Website:
http://www.addisababacity.gov.et

Housing

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

The project is not envisaged only to construct and supply of housing but also to reduce the widespread urban poverty.
- Enabling low-income urban dwellers with special attention to female-headed households to acquire homes of their own,
- Alleviation of urban poverty through the participation of Micro and Small Enterprises and creation of employment opportunities in the house construction sector, which can absorb more labor force,
- Changing the image of the city
- Promoted cost efficient housing construction technology
- Facilitating housing finance, Promoting saving culture among the poor,
- Applied cost saving housing designs, combines prefabricated construction materials with labor intensiv

About Project

Problem: What problem is this project trying to address?

The programs has targeted low income people and gave special attention to women headed households who are the vulnerable targeted groups i.e. 30% of the houses are given directly to females to empower them. Micro and Small Enterprises are one of the significant results of the program next to provision houses in creating of large number of job opportunities to reduce the existing unemployment rate. The program has created more than 2000 small-scale enterprises and these have provided job opportunities for more than 59,164 youths and vulnerable sections of the society. Indirect beneficiaries of the program are all citizens through the growth of other activities

Solution: What is the proposed solution? Please be specific!

• The very poor members of society are able to begin to acquire some stability in their lives through the provision of houses • Recognizing those who live in inhuman and unhygienic conditions and providing support to improve the quality of their life, • Promoting cost efficient and time saving technology like Agrostone product which is currently being used for partition wall, doors, roofing materials. The main inputs to produce this product (Agrostone) are agricultural waste and mineral products which are available in the country. Agrostone will reduce the dependency on cement and concrete blocks. This technology is an environmentally friendly technology. • Skill development and specialization in the construction sector • Promote local building materials and technologies. • Actively promote learning platforms at micro and small enterprise to ensure that they know how to participate in the construction sector • Strong collaboration with various resource agencies that assist and contribute in the development process. • Labor intensive, • Densification and vertical growth approach. • Understanding the linkages between poverty and housing and integrating these issues are a key step to achieve more sustainable socio-economic development. • The decentralized way in which the programme is organized and delivered. The city administration has set up 10 projects offices which are engaged in the housing development. • In general, the program intends to reduce poverty, improve life of slums and give access to sanitation and reliable service.

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

• One of the main factors for the success is political commitment (readiness and great ambition and vision). • Different stakeholders were active participants to set up and strengthen the project office. They contributed important commitment outputs, which led the program success. • 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. This success can be measured by: • Provision of decent houses (80246 condominium houses have been distributed the people in the last five years). • Created job opportunities for more than 59,000 people • Overall urban development and management, • 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, • Created a great sense of relief and an improved sense of security in having a stable place to live. • 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,
problem especially for low-income households that account for over 80 percent of the city’s population. Accordingly, addressing the city housing needs is complex and it is stated that more than 70 percent of the population of Addis Ababa lives in slums with inhuman and unhygienic conditions (UN HABITAT, 2008). Likewise, the unemployment rate of the city is reaching about 40 percent. The city economy remains weak making it difficult for the city to accommodate the large number of housing demands and provide urban services as well as create employment opportunities for the rapidly growing population. The current market cannot provide low cost housing at the needed quantity with affordable price for large number of unmet housing need. Cognizant of these challenges, the Addis Ababa city government took the initiative to reverse the situation and committed itself to new and innovative approaches through the integrated housing development program in 2004 for the low- and middle-income families. The housing development program is also considered by the founder (Addis Ababa city administration) as the major development task to reduce urban poverty and improve the lives of slum dwellers and to bring sustainable socio-economic transformation. The City government inspiration started Federal government signatory to “Cities without slum” by 2020 (Millennium Development Goal) and Reduction of poverty by 50% up to 2015.

**Social Impact**

**How many people have been impacted by your project?**

More than 10,000

**How many people could be impacted by your project in the next three years?**

More than 10,000

**What barriers might hinder the success of your project and how do you plan to overcome them?**

- Lack of efficient professional and institutional management.
- Lack of effective implementation strategies
- Problem in housing finance to the poor,
- Lack of practical skills on the construction technology,
- Inadequate financial and human resources

**How will your project evolve over the next three years?**

The future plan of the office is to construct 250,000 housing units in the coming five years. The development of housing program aims at reducing housing deficiencies by 50% in the city by focusing on low and middle-income residents of the city by the next five years. It is also planned to make sure that about 30% of the beneficiaries are women.

**Sustainability**

**For each selection, please explain the financial and non-financial support from each**

- The city government decided to allocate the largest share of annual financial budget to go to the project office. The annual budget allocated for the year 2004/2010 was about 460 million USD. Out of these, the city government has subsidized about 20 million USD. The program is financed mostly through the sale of housing units on a lease basis with repayment periods of up to 20 years. To meet its immediate financial obligations the project requires down payment varying from 7.5% for a studio to 30% for three bed rooms. The project office sells the commercial facilities built in the context of the condominium development on a market basis.

**How do you plan to grow and/or diversify your base of support in the next three years?**

- The city government decided to allocate the largest share of annual financial budget to go to the project office. The annual budget allocated for the year 2004/2010 was about 460 million USD. Out of these, the city government has subsidized about 20 million USD. The program is financed mostly through the sale of housing units on a lease basis with repayment periods of up to 20 years. To meet its immediate financial obligations the project requires down payment varying from 7.5% for a studio to 30% for three bed rooms. The project office sells the commercial facilities built in the context of the condominium development on a market basis.

**Collaboration**

**Please select your areas of intervention in the home improvement market**


**Is your innovation addressing barriers in the home improvement/progressive housing market? If so, please describe in detail your mechanisms of intervention**

The city economy remains weak making it difficult for the city to accommodate the large number of housing demands and provide urban services as well as create employment opportunities for the rapidly growing population. The current market cannot provide low cost housing at the needed quantity with affordable price for large number of unmet housing need. The current houses being built in the market are giving some relief on the housing market for the low income earners and the poor to have it. Most houses for sale are meant to target the low and middle class people of the city.

However there should be strong intervention mechanisms in addressing this holy idea to low income groups because some of such houses are bought by well being people. Therefore the city government has plans to establish a serious intervention in the distribution and transferring mechanism.

**Are you currently collaborating with private companies, or have you partnered with private companies in the past? With which companies?**

Yes, the project office is collaborating with construction materials producers companies both private and government through the daily purchase of construction materials. This collaboration will continue with local and international companies that produce construction materials. We have also strong collaboration with private engineers and architects consulting companies.

---

**Social Impact**

**How many people have been impacted by your project?**

More than 10,000

**How many people could be impacted by your project in the next three years?**

More than 10,000

**What barriers might hinder the success of your project and how do you plan to overcome them?**

- Lack of efficient professional and institutional management.
- Lack of effective implementation strategies
- Problem in housing finance to the poor,
- Lack of practical skills on the construction technology,
- Inadequate financial and human resources

**How will your project evolve over the next three years?**

The future plan of the office is to construct 250,000 housing units in the coming five years. The development of housing program aims at reducing housing deficiencies by 50% in the city by focusing on low and middle-income residents of the city by the next five years. It is also planned to make sure that about 30% of the beneficiaries are women.

**Sustainability**

**For each selection, please explain the financial and non-financial support from each**

- The city government decided to allocate the largest share of annual financial budget to go to the project office. The annual budget allocated for the year 2004/2010 was about 460 million USD. Out of these, the city government has subsidized about 20 million USD. The program is financed mostly through the sale of housing units on a lease basis with repayment periods of up to 20 years. To meet its immediate financial obligations the project requires down payment varying from 7.5% for a studio to 30% for three bed rooms. The project office sells the commercial facilities built in the context of the condominium development on a market basis.

**How do you plan to grow and/or diversify your base of support in the next three years?**

- The city government decided to allocate the largest share of annual financial budget to go to the project office. The annual budget allocated for the year 2004/2010 was about 460 million USD. Out of these, the city government has subsidized about 20 million USD. The program is financed mostly through the sale of housing units on a lease basis with repayment periods of up to 20 years. To meet its immediate financial obligations the project requires down payment varying from 7.5% for a studio to 30% for three bed rooms. The project office sells the commercial facilities built in the context of the condominium development on a market basis.

**Collaboration**

**Please select your areas of intervention in the home improvement market**


**Is your innovation addressing barriers in the home improvement/progressive housing market? If so, please describe in detail your mechanisms of intervention**

The city economy remains weak making it difficult for the city to accommodate the large number of housing demands and provide urban services as well as create employment opportunities for the rapidly growing population. The current market cannot provide low cost housing at the needed quantity with affordable price for large number of unmet housing need. The current houses being built in the market are giving some relief on the housing market for the low income earners and the poor to have it. Most houses for sale are meant to target the low and middle class people of the city.

However there should be strong intervention mechanisms in addressing this holy idea to low income groups because some of such houses are bought by well being people. Therefore the city government has plans to establish a serious intervention in the distribution and transferring mechanism.

**Are you currently collaborating with private companies, or have you partnered with private companies in the past? With which companies?**

Yes, the project office is collaborating with construction materials producers companies both private and government through the daily purchase of construction materials. This collaboration will continue with local and international companies that produce construction materials. We have also strong collaboration with private engineers and architects consulting companies.
<table>
<thead>
<tr>
<th>Please describe in detail the nature of the partnership(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is mutual partnership. In most case we have a partnership with construction materials suppliers. The nature of our partnership is we buy materials and they supply for the project. With consulting firm, they design and supervise our project in contract basis.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Select the unit(s) with which the partnership was formed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation of the company, Corporate social responsibility department, Marketing department, HR department, Logistics department.</td>
</tr>
</tbody>
</table>

Source URL: https://www.changemakers.com/sustainableurbanhousing/entries/addis-ababa-housing-development-project-as-a-strategy#comment-0