

Integrated Housing Development Programme

ADDIS ABABA,
ETHIOPIA

Addis Ababa, 'flower' in Amharic, is the capital of Ethiopia and home to four million inhabitants. After a phase of low urban development and growth, over the last two decades, the city has undergone rapid development. With GDP growth averaging 10.7 percent, Addis is expected to be one of the fastest growing cities in Africa between 2010 and 2020. With the population almost doubling every decade to date, the city has successfully embarked on an ambitious and innovative integrated housing development programme.

Project overview

The Integrated Housing Development Programme, one of Africa's most ambitious urban initiatives to date, was implemented in 2005. Introduced against the background of a massive shortage of low- and middle-income housing, the programme is characterised by its large scale, socially inclusive and integrated approach. A distinctive feature of the initiative was its ambitious incorporation of multiple objectives besides drastically increasing the supply of housing. The programme also targeted the redevelopment and privatisation of public housing, the maintenance of the livelihoods of the poor in the city centre, the promotion of effective use of scarce land and the use of low-cost construction technology. Furthermore, the initiative also sought to facilitate housing finance through simple and affordable payments, stimulate job opportunities by promoting micro and small enterprises and enhance the collaboration between the public and private sectors.

Results and impact

Although the programme has not met all of its original targets, it has nevertheless built a considerable amount of housing units, a significant achievement considering the previously limited capacity of the Ethiopian housing sector. The programme has also significantly increased the number of homeowners that would never otherwise have owned a home within their lifetime, and, in parallel, has benefited the housing market by increasing the supply of owner-occupied housing and rental units. Last but not least, the programme has enhanced the capacity of the construction sector and manufacturing industry (particularly MSEs), and has been a significant generator of employment opportunities in the city. However, despite these benefits, the programme also faced a number of unanticipated challenges. The most pressing of these challenges is the affordability of the units for low-income households, with the rising costs of condominium houses no longer an option for many low-income residents. In addition, there are concerns that the financing approach of the programme is unsustainable in the long term.

Enablers

The mayor of Addis Ababa, Arkebe Oqubay, was the driving force behind the programme, with his vision and leadership proving a key enabler for the project's execution. The city's administration and the Commercial Bank of Ethiopia also played a critical role in facilitating the creation of a network of co-operating organisations needed to make the project happen. The technical aspects of the construction of condominium housing also proved crucial to the project's success, with newly trained contractors playing an active role in increasing the city's building capacity and the expertise of its construction sector.

