

Housing Projects Improving Life in Urban Areas

Fekadu W. 12-30-14

Aster Ferede was brought up in a slum corner of Arat kilo Addis Ababa. She was living in a debilitated cell with her husband and three children. She said the area was overcrowded and no one could get clean toilets and shower was unimaginable.

Even worse, she said, she and her children were affected by typhus and common cold diseases due to the unbearable stink and permeating dust that blows from the surrounding and cracked walls. The condition of the room harrowingly worsens during rainy seasons. The family was forced to cover riddled roofs and walls with canvases and plastic sheets, otherwise it could be difficult to get a room to stand on or to sleep in.

The misery, she reminisced, was excruciating and unbearable. Two of her school kids were unable to study their lessons due to lack of space to place small table and chairs. Events that require social gatherings like death and wedding were unthinkable as the tightly congested rooms and alleys could not let anyone stir. Let alone accommodating gatherings, the village was very much packed and prone to fire accident flaring rarely.

According to Aster, rebirth of her and family came as a windfall when their village was designated to regeneration. Soon, she and her family got the chance to be transferred to new condos secured for residents who got displaced due to regeneration. Currently, she said, her new home is surreal that boasts of decent sitting room, toilet, kitchen and shower facilities.

She explained that she does feel living in a new house is a potential elixir that could prolong the life of residents. Currently, her family is enjoying blissful life in a clean environment. She stressed that she has started to recalculate her age since her family has been placed in a new condominium. She wished if this heaven, safe haven had occurred earlier in her youthful life. Whatever belated, she said, she does not regret for her children are lucky to live in a desirable home.

Finally, she mused that unlike the type of generation her age, the nascent generation is lucky enough for having lots of modern infrastructures that help ease their life. She said the embarrassing cloak of poverty could be soon be taken off every Ethiopian, provided the pace of the current development is going on in an intensive manner.

Since the overthrow of Derg by the Ethiopian Peoples Revolutionary Front(EPRDF) in 1991, Ethiopia has been going under market-oriented reforms , structural adjustment polices , decentralization of government structures, among others, that enhance speedy development in the country.

Cultivating conducive environment to help citizens work hard and overcome abominable poverty is among the benefits ushered in by hard-fetched May 28. Following the advent of this dazzling history, nation has been empowered to establish democratic state that devised workable policies and strategies which can coordinate the mind and labor of citizens, work miracles and chop down the boulder of poverty.

Currently, Ethiopia has made great strides to become one of Africa's fastest growing economies and continues to record impressive economic growth. The country has become sub-Saharan Africa's fifth biggest economy. It is at the focal point of emerging economies' interest with various delegations of foreign investors seeking investment opportunities.

Ethiopia's economic growth, according to CNBC Africa, is principally attributed to intense government projects aimed at achieving its Millennium Development Goals (MDGs) as the country aims at becoming a middle income status by 2025. The country has a grand five-year Growth and Transformation Plan which ran from 2010 and is expected to end by 2015 that foresees sustainable means of economic, social and environmental development eyed at poverty alleviation.

PM Melese Zenawi once said, `` the monstrous adversary of Ethiopia is abject poverty``. Seeing poverty as the major national disgrace, it has been two decades or so since nation has girded its loins tightly aimed to extricate citizens from rock bottom poverty and improve their living status. To this end, poverty alleviation and joining the level of middle-income countries by 2025 has

become the main agenda of Ethiopia (various effective policies and strategies have been formulated eyeing at this noble vision).

In line with this, FDRE Constitution Article 89(2) has decreed that the ‘’government has the duty to ensure that all Ethiopians get equal opportunity to improve their economic conditions and to improve equitable distribution of wealth among them.’’ Similarly, Article 90 (1) states that ‘’to the extent the country’s resources permit, policies shall aim to provide all Ethiopians access to public health, education, clean water, housing, food and social security’’.

The Ministry of Finance and Economic Development said Ethiopia has registered double-digit economic growth in the last decade and it says the growth rate will sustain. It is striving to join the rank of middle-income countries as quickly as possible through a series of development policies and strategies. It is currently executing multi-billion dollar projects such as the construction of a massive hydro power plant, known as the Grand Ethiopian Renaissance Dam, the construction of railway lines and 10 new sugar factories, among others.

The government had and has been striving to undertake tremendous activities focusing on eradication of poverty in a meaningful manner. For instance, sizable development stride has been made in towns seeing their benefit as a hub of political, social and economic activities. Micro-finance and loan activities, job creation through small and micro enterprises and launching of mega-projects intended to spin bountiful employment opportunities (compared to jobs created by small and micro enterprises) are among these activities.

According to UN Habitat, 2011, Ethiopia has been implementing an ambitious government-led low-and middle-income housing program (Integrated Housing Development Program(IHDP))since 2005. The initial goal of the program was to construct 400,000 condos units, create 200,000 jobs, promote the development of 10,000 micro and small enterprises, enhance the capacity of the construction sector and regenerate slum areas and promote home-ownership for low-income families.

The program is a large scale approach to addressing the current housing deficit, poor quality of existing houses and future needs in urban areas due to growing rate of urbanization. Ethiopia is one of the few countries in Africa that has implemented pro-poor development programs at such

ambitious scale. The program allows low and middle-income households who live in precariously housing situation to access improved. Through the construction of durable, fully-served housing units the program greatly improves their living conditions, security of tenure and access to basic services.

UN Habitat said the program highlights commitment of government and local authorities to address housing problems and reduce slums as it facilitates loans from the Commercial Bank of Ethiopia.

In line with this, while opening the 5th House of Federation and the 4th House of Peoples Representatives joint meeting, FDERE President, Dr. Multu Teshome, stated that, based on saving, the houses development program in Addis Ababa has until now benefited thousands of citizens that do not have the means to buy or build houses. He said the program has also attached special attention to women beneficiaries. In addition, the program will be made to embrace civil servants who cannot build their own houses.

The President said house development has targeted on the provision of affordable houses to middle and lower-income stratum of society that are unable to build their own abode. Houses development program was devised and commenced in Addis Ababa and regional towns, in 1996 and 1999 respectively. Ever since, the government has constructed hundreds of thousands of houses in Addis Ababa in the past ten years and distributed it to beneficiaries in an equitable manner, which also enhanced equitable distribution of wealth.

One of the premier objective of housing development is to reduce poverty, minimize joblessness in urban areas through provision of jobs in a permanent and contract basis and build affordable houses to citizens(who can cover the cost of construction over a longer period of time).The aim of the project includes improving the image of slums and ramshackle corners, augmenting the construction capacity of small-scale contractors, widening the horizon of clean and habitable environs, improving the participation of women and the youth and upgrading the saving culture of society, among others.

Currently, numerous house development projects are being undertaken across the country (parallel to housing projects being undertaken by private developers). Some say, targeted to allure investors with better financial capability and investment venture, the Real Estate

Development and Transaction Draft Proclamation being implemented by the government since 2012 has helped to spur the sector.

According to Houses Development Agency, (HDA) condominium construction has been acclaimed by the society and investors as well throughout the country, particularly by the lower and middle-income citizens. The project has surely showcased the utmost endeavor of the country to satisfy the pressing need of citizens in urban areas, Addis Ababa and other regional towns (for instance, BahirDar, Adama, Hawassa and Arbaminch, among others). Cases in point, so far, the construction of 172,233 houses has been completed, of which 159,315 were transferred to beneficiaries based on lots.

The Agency said the project has brought myriads of benefits. Last year 22,000 condos were handed over to beneficiaries. Some 76,000 houses are also expected to be transferred to individuals this year. The construction of 65,000 houses was commenced in 2013 and construction of same number of houses will be started this year.

It noted that the house development project has created 50,000 jobs per annum. In this regard, until now, projects pertinent to housing construction only (excluding private projects) have created over 800,000 jobs. The government is committed to fully implement similar projects and make a visible difference in the sector.

Jobs are also being created after the condos are delivered to beneficiaries. These jobs emanate from construction of alleys, sanitation and beautification infrastructures. The Ministry of Works and Urban Development (MWUD) said that it is undertaking pilot study to further enhance preparatory activities intended to create more jobs in the areas of maintenance and public spaces administration.

The project, according to the Ministry, parallel to providing decent abode to dwellers, has played its role to scale up the capacity of the construction industry and domestic contractors engaged the area. The project has also benefited some participants who supply materials to the construction. After effectively parlaying this opportunity, some small and micro enterprises have promoted their capacity to the level of contractor by their own.

For instance, 81 contractors were awarded at the national level for upgrading themselves from micro and small level entrepreneurship to medium level industrialist (house construction project helping them take roots in the construction sector). Most of them have joined the sector since 2010 and burgeoned rapidly. Their fruition could not have been realized were it not for the project.

Condos have enabled citizens to enjoy the right to privacy, property and private ownership. Tangibly, the project has safeguarded thousands from the problems incurred by inflation and payment of exorbitant prices to mindless renters that are notoriously heaping up fleeing payment of rent year in year out.

Better social relation, cooperation and interaction among the community living in condos is also another blessing of the project. Unlike the old and shanty slums, the new development has enabled to provide spacious areas (green and built) used to accommodate social gatherings (including weddings and funeral ceremonies). This has enabled citizens to nurture their private and independent life and boost their pride.

Despite the huge amount of construction, many parts of Addis Ababa have embraced unsightly slums that need reconstruction. And most of the villages are not compatible with the standards of a modern city, which is the capital of African Union. Needless to say, most of the residents who chanced upon new condos had been living in squalor, where most of the houses in the villages were ramshackle that could not provide shelter any longer. Even, these slums had been exposing residents to various water-borne and air-borne health problems.

According to MWUD, close to one million individuals that seek condos have been registered in 2012, in Addis Ababa only. Development programs envisioned to address house problems include 10/90, 20/80 and 40/60 (paying and saving in advance the smaller figure indicated by the nominator to become house owner and paying the remainder bigger amount indicated by denominator over a longer period of time respectively, based on agreement to be made with banks).

These affordable condominium types have been offered to registrants (potential house owners) who can save the initial amount of payment arranged for the program in 2012. The long queue of registrants at that time had evidenced the depth of housing problem in the city and the tremendous effort that should be exerted to satisfy this demand.

The Ministry stated that most of the towns in Ethiopia are traditionally constructed, sub-standard and inconvenient to residents (their establishment was not based on modern master plan and nearly all of them have expanded casually). As a matter of fact, it has necessitated to gradually transform this situation to brand-new regeneration infrastructures that can improve the condition of urban areas.

In connection to this, Central Statistical Agency, in a census conducted six years ago, had indicated that the number of people in Addis Ababa was three million. However, the number of habitable houses in Addis Ababa was close to 400,000, of which close to 240,000 were in good condition. Similarly, as a further evidence, the survey commissioned by the City Administration in 2001 has revealed similar outcome that the number of habitable houses in Addis Ababa were meager, compared to ever growing number of people living in the capital. Besides, evidences showed that 75 percent of the houses do not have private or common toilets and the availability of decent kitchen is close to null.

Similarly, 2.3 and 4.46 percent of the houses have no access to water and electricity service respectively. Of these houses, most are made of wood and mud. Given the dilapidated condition of houses, they cannot provide protection any longer. Even worse, most of the roofs are old and encumbered with blocks of stones to protect houses from capricious gale. Accordingly, nearly 80 percent of the houses in Addis Ababa need regeneration and replacement by new ones.

The government has attached prime importance to rehabilitation and regeneration programs. Regeneration activity is being undertaken as part of housing development project in Addis Ababa. This endeavor has enabled to pull down unsightly slums and reconstruct condominiums, business centers and beautify derelict areas.

Information released by the Ministry indicates that, compared to the previous projects, the current types of housing developments are expected to be far better harmonized with the needs of residents and the modernization requirement of the city (beginning from its design). Moreover, all types of housing programs are designed to be more spacious (houses that have single, double and triple bedrooms amounting to 55 sqm., 75 sqm., and 100 sqm. respectively).

The amount of budget earmarked to the project is very huge. Until January 2013, over 16.88 billion Birr has been expended on the project being undertaken in Addis Ababa only. Same construction in Amhara, Oromia and Southern Nations , Nationalities and Peoples' States have cost over 1.764, 2.136, and 1.1 billion Birr, respectively. The house development project in the past ten years had cost over 18 billion Birr that created over 2.8 billion Birr market link to citizens engaged in petty businesses.

Similarly, house development associations are also embraced in the program. It has been planned to carry out construction of houses through these associations and provide wider and more diversified choices (though this program cannot enhance the culture of saving, encourage economization of land and introduce cost-effective types of houses to the desired level).

In view of improving the condition of urban areas, various plans have been formulated taking in to account the height of buildings, types of infrastructures including roads and lanes and green areas(the development schemes have also eyed at enhancing the size and type of green areas and parks for the purpose of public recreation). These plans are expected to be harmonized with the strategic means devised to meet the need of speedy development and improvement of life style of residents(housing projects carried out in Lideta and Arada sub-cities are among the best models to the activities being undertaken to transform the condition of urban areas).

Boosting the capacity of project offices targeted to prevent cessions of projects due to challenging problems is also among the far sighted solutions tailored to facilitate smooth flow of activities. Hence, the number of Addis Ababa house construction project offices have been increased from 15 to 18 intended to enhance the housing construction capacity being undertaken in the city.

Taking in to account the importance of having organized documents and taking lessons from the previous same experiences, new registration manual has been issued and implemented in 2012 registration. Besides, the process has been assisted by information technology which is expected to keep record of genuine files related to registrants. In addition, the system of transferring houses is being made on lot drawn publicly and in a transparent manner with a view to preventing bias, injustice and other irregularities that may occur during the process of delivery.

Beside enhancing construction, the city administration is exerting an all out effort to ensure quality and enable buildings last for generations. Accordingly, rigorous quality control is being undertaken until completion of construction. It includes purchase of installation equipment and accessories.

Efforts are also being made to train professionals employed on installation of sanitation and roofing materials and apply improved technologies based on comments gathered from the general public. Trainings have also been offered to small and micro enterprises engaged in construction of hollow and rectangular tubes, supply and installation of sanitation, electric and roofing materials.

Attention is being given to strengthening link between sub-contractors and contractors and producing construction inputs, beside construction. Implementing new techniques of project management and productivity booster systems like Kaizen, consuming domestic inputs widely and transferring cost-effective technologies are also among the techniques.

Taking the serious problems of housing in the city, the City Administration is diligently working to put in place coordinated construction of houses and solve problems radically.

Based on clear vision to solve problems stated above, the construction of houses and ensuing regeneration programs are becoming key solutions to the society's housing problems, providing opportunities to job seeker citizens and beautifying eye sore areas. It has also brought practical solutions to alleviate congestion of families in a small cell, reduce inequitable use of land and curb horizontal expansion of the city.

In this regard, residents have so far played indispensable role to strengthen development by willingly going to other alternative shelters and being cooperative to enhance smooth flow of the construction. People in other non-regenerated areas are expected to do the same and cooperatively evacuate for the sake of encouraging regeneration.

Meanwhile, as part of national endeavor to ease housing problem in urban areas, construction of condominiums is well in progress in Adama town of Oromiya State. Construction projects have been launched in the town in 2007 eyeing at four basic goals like providing affordable houses through long-term loans to those residents who cannot construct their own, creating job opportunities to the jobless and individuals engaged in small and micro enterprises, upgrading the construction capacity of contractors and beautifying the town and enhancing its image.

Based on these objectives, the first phase of the project has managed to construct close to 1,700 houses. The construction of these condos had been finalized and all are transferred to beneficiaries.

According to Adama Town Construction and Housing Development Office, the second round construction project has started since 2007. Over 1100 houses were constructed and handed over to residents in the 2nd phase project at a cost of over 486 million Birr. The transfer had given special emphasis to females as it devoted 30 percent of the houses to them. It also help them compete with the other parts of society in the remaining 70 percent. Over all, the project had planned to construct 386 additional houses. However, it did not go as planned due to shortage of budget and construction materials.

Related to jobs, projects were launched in 2006 and 2007 that had enabled to participate 382 small and micro enterprises that has employed close to 4,000 organized youth. In addition, the job opportunity created to 50 contractors had managed to offer jobs to 1,500 youth. In general, including project office employees, the condo projects in Adama town had created jobs to over 5,200 citizens.

According to the office, the need of residents to condominiums has increased sharply. Currently, the town has filed its request to Land Agency to obtain 25 hectares of land(equipped with basic infrastructures like road, telephone and electricity) used to construct various condos listed under

10/90, 20/80 and 40/60 programs. The plot is thought to serve the purpose of associations that can construct their own houses.

The current need of registrants to new condos, especially in Addis Ababa, is so huge that the means and capacity of construction employed so far cannot build desirable number of houses and satisfy the need of residents (limitation in the implementation capacity of contractors is a major problem evidenced by delay of projects from their scheduled time).

Accordingly, the government has expressed its interest to enhance the capacity of domestic contractors through various mechanisms, be it through provision of capacity building trainings or granting of loans.

In addition, in a bid to quench the housing demand of citizens shortly, it has also called for bidding foreign contractors to engage in construction of condos, seeing the capacity of domestic contractors fail short of meeting the housing demand of Addis Ababa. Some say contractors from Italy, China, England, Sweden and Turkey, among others, have submitted their bidding price before the floating date of the bid is over.

Perhaps, this bid may bring water shed moment in the construction of condos for foreign companies are expected to undertake massive construction of houses with better skills and sophisticated machineries in a short time. Indeed, the target of the bid is to satisfy the housing need of urban poor as quickly as possible.

Things have changed forever for all residents living in condos. Let alone other tangible benefits, beneficiaries have said that their psychological satisfaction have been heightened as they enjoy decent sitting room, kitchen and shower rooms. Hence, overall the merit of the project is beyond generation of income and equitable distribution of wealth.

The momentum gathered in the house construction area indicates that it could be possible to hit the target of constructing 150,000 houses and transferring it to residents a head of the schedule set in the Growth and Transformation Plan (GTP).

The houses development sector is expected to thrive more than ever as strengthened activities are being undertaken in the area. Given the previous experience and the commitment of the

government, this project may be the source of pride soon as regeneration deserving corners of the country are heralding their revival through this project.

Currently, the effort to construct more houses is going in an encouraging pace as thousands of Asters are waiting for their turn to become owners of condominiums. And for sure this hope will come true soon with the participation of development thirsty people and government.

Unlike wizero Aster, Etye Zinaye is a family woman living in a rented room with three children. She said she is hopeful that one day she will have her own condo like her ex-neighbor, wizero Aster. She said bearing new condo homes in mind, she is saving her regular amount of saving to help her realize her dream.