

Evaluation of Housing Development's Performance Under the Growth Transformation Plan (I & II) Period

Wubalem Seraw¹ and Xinhai Lu²

¹ /Ph.D. Student/, College of Public Administration, Huazhong University of Science and Technology (HUST), Wuhan, China

² /Professor/, College of Public Administration, Huazhong University of Science and Technology (HUST), Wuhan, 430074, China

Abstract : *Building on the lessons of IHDP, the first Growth and Transformation Plan (GTP I) introduced a slightly different mode of housing delivery. Housing provision policy in Ethiopia, the government, individuals, and private investors all play different roles in providing housing for residential and commercial purposes. GTP II, which covers (2015/16–2019/20), aims to expand housing development programs to reduce urban housing demand and supply gaps. Specifically, GTP II aims at increasing the construction of urban residential houses. However, within the plan period, the government was unable to achieve its intended plan. Therefore, this paper is intended to evaluate the performance of housing development under the two growth transformational plan of Ethiopia purposes, emphasizing Addis Ababa city. The quantitative research approaches were applied to achieve this purpose, and primary and secondary data were collected and analyzed descriptively. The findings show that Addis Ababa's housing development performance is not as good as it should be, but there is also a high demand for housing. As a result, the city administration must thoroughly analyze the problem and implement policy interventions to improve land supply based on current performance.*

Keywords: Housing development, Performance, Urban land development, Growth Transformation Plan

1. Introduction

Housing is considered one of the human beings' basic needs or rights, and housing symbolizes human health, well-being, stability, and dignity beyond the roof and walls. Cities are the basis for establishing growth or expansion of housing, and cities are the source and development of industry, market or trade, service and civilization, and employment opportunities. Although urban growth brings good fortune to the local population, the urbanization of our country's cities and the rapid population growth in changing from rural to urban areas have led to severe housing problems in urban areas (Liu & Chew, 2020), and the demand for housing is also increasing.

Urbanization is a global phenomenon (Griffith, 2009). The world is experiencing rapid urban transition and urbanization. At the commencement of the third millennium, at the beginning of the 20th century, nearly half of the world's population settled down in urban centers, comprising 47 percent of the global population (UNCHS, 2002). The world population has expected to increase by 50% within the next two decades. From this projected growth, 98% have anticipated occurring in developing countries where the vast increase of this, 86% will be in cities, which implies that construction of 38,500 housing stocks is required every day in developing countries (Erugden Mac, 2002). In Ethiopia, as per World Bank estimates, the rise in the number of new residential units that are required will average 381,000 per year between 2007 and 2037 (World Bank, 2019, p.39). Land access has become nearly impossible for residential development, and formal urban land delivery for housing has not met the demand due to rapid urbanization (Baye et al., 2020). The housing problem is reflected in quantity, but there is a severe problem in the quality of houses. Many of the

homes are below the standard. In most cases, inhabitants of cities are slum dwellers (UN-Habitat, 2011).

The implementation of housing development in Ethiopia is closely linked to the country's existing regime and can be divided into three phases. This is separated into three periods: the feudal system (before 1966), the Derge regime (1967-1983), and the EPRDF regime (1983 to the present).

A few individuals and groups controlled land and houses under the feudal system, and before that, these individuals and groups owned land and housing development. Almost 70% of the land and houses were under the control of these nobles. Due to the system's land and housing held in the hands of a few individuals, the inequitable distribution of wealth among the citizens had little choice but to rent a house; for example, in 1954, with a total of 1768 individuals owned Eighty-five percent of Addis Ababa's land. That was an average of 10,000 square meters for each landowner, with 55 percent renting.

In July 1967, the Derg regime took control of urban land and surplus housing. According to Proclamation No. 47, the government confiscated all urban land for "better distribution of 158 wealth in the country." The central government regulated housing supply, which was relatively low in terms of high demand. Due to the Derg government's control over housing supply, it issued a new proclamation in 1978, Proclamation No. 292/1978. Houses will be built by public enterprises and municipalities, according to the proclamation; however, with housing cooperatives and privately-owned housing, the role of individuals and large private sector developers in building additional housing was no longer limited to 60 percent of Addis Ababa's rented housing, 93 percent of which were kebele houses.

During the EPRDF regime, Ethiopia began implementing an agricultural-led industrial development strategy in 1983. In the early decades, the government focused on rural development, with a little focus on urban development in general and urban housing in particular. Ethiopia's urban development policy was first developed and implemented in 1996, and one of the key issues in the policy was urban housing. The policy focuses on urban housing development, urban sprawl, and aging, tackling the housing crisis, developing a saving culture, creating more jobs, growing the construction industry, and ensuring equitable distribution of wealth. This housing development program was formulated and implemented starting this time. Since the launch of the pilot project, more than 400,000 houses have been built in Addis Ababa for the benefit of low and middle-income urban dwellers. Notwithstanding the government's attempts to effectively address the city's housing problem, it has not stopped raising concerns about urban housing due to the city's ever-growing population and the mismatch between housing demand and supply. As a result, it is possible to provide accessible and affordable housing in Ethiopian cities quickly and in the long run to create more jobs and boost the construction industry.

Housing provision policy in Ethiopia, the government, individuals, and private investors all play different roles in providing housing for residential and commercial purposes. Therefore, the government and these other developers would implement the housing provision in the following eight ways, of which four will carry out with the government's coordination. These are housing construction for low-income peoples (10/90), maintaining the construction of condominiums (20/80), construction of residences that promote saving practices (40/60) programs, and supporting housing construction intended for particular purposes). Furthermore, the others will be conducted by the private sector (housing provision by investors (Real Estate) and housing provision by individuals), housing cooperatives, and the joint effort of the government and private investors (MoUDHC, 2013).

2. Purpose of study

To analyze the significant achievements & challenges of the housing policy under GTP I and II?

3. Methodology

The study used both primary and secondary data have been collected and analyzed. The data was obtained from the Addis Ababa city administration plan commission, housing development cooperation, land development & management bureau of the GTP performance report, and the five-year housing and land sectors performance. The information gathered has been discussed and illustrated using graphs and text processing M.S. excel.

4. Significance of the study

This study examined the implementation performance of Ethiopia's housing development. Doing so provided invaluable insights and a reliable guide to evaluating how the city administration performed the plan regarding housing development. It will thus help policymakers improve the chances of successfully implementing the policy by bringing out opportunities where enhancements to policy documents may do.

5. Discussions

5.1 Housing Development Program Performance Under GTP-I

The housing development program is one of the priorities of the Growth and Transformation Plan (GTP) period, with the primary goal of implementing an integrated housing development program for residents by building cost-effective and affordable housing, allowing low and middle-income people to become homeowners, and alleviating the city's housing shortage. Accordingly, the government has allocated over 26.3 billion birrs to construct 150,000 houses over the past five years. As a result, more than 179,000 (120%) houses, including 40/60 houses, have started, more than 78,000 houses have been completed, and 136,635 houses have been handed over equitably. As a result, more than 680,000 residents have been made homeowners.

In order to strengthen women's economic empowerment and make them free from dependency, 30% of the total number of condominium houses to be used for women and 56% of the total number of houses to be distributed to women has been constructed and transferred to women. On the other hand, 50% of the youth benefit from this program, and 20% of the civil servants benefit from more than 10,000 particular beneficiaries. In addition, the first floor was provided for the disabled, and elevators were installed for buildings above G + 4.

Government houses inherited from the Addis Ababa City Administration under Proclamation 47/67 and administered by the Housing Development Administration and long-term loans to beneficiaries in the kebele housing census and data collection. A census of 156,430 houses and businesses was conducted in all woredas, and the data was modernized. On the other hand, 974,000 residents were re-registered in 2012 /2005 E.C./ to benefit society through implementing the revised housing development policy. As a result, not only have the proper home seekers been identified, but more than Birr 11 billion has been saved so that the future generation of homeowners can become homeowners without a down payment through developing the saving culture. Furthermore, the system was developed in collaboration with the Information Network Security Agency and the Commercial Bank with the help of modern 160 technology. In addition, a new lottery system has been developed and implemented to make the system fairer, efficient and effective distribution.

Table 1 Home Seekers Re-Registration Information

N o.	Home programs	Studio	One bed room	Two bed room	Three bed room	Total
1	20/80	17,843	382,419	223,420	181,013	804,695
2	10/90	25,704	-	-	-	25,704
3	40/60	-	16,482	75,656	72,251	164,389
Total		43,547	398,901	299,076	233,264	974,788

Source: Bureau of Housing Development and Construction of Addis Ababa

Based on the data obtained from the housing development and construction bureau, from the planned amount of 994,788 housing supply for the registered inhabitants of the city, only 209,430 of the housing units were transferred to applicants. This indicates that the city administration body and other concerned bodies did not achieve their planned and the registered number of applicants.

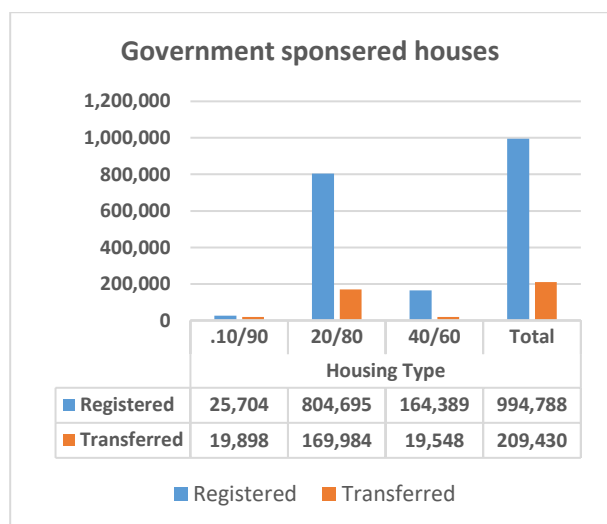


Chart 1: Performance of government-sponsored houses in Addis Ababa

Source: Housing Development & Construction Bureau (2021)

5.2 Housing Development Program Performance Under GTP-II

During the plan period, the existing 20/80 housing development program has 50,000 units and 200,000 new (total 250,000 housing units), and for the 40/60 housing program, 22,678 existing and 62,322 new housing units total 85,000 houses. In order to achieve the goal of building a total of 335,000 houses, including existing constructions under 20/80 and 40/60 housing programs, 160,804 (48%) have been started in the two programs; the performance is 121,272 and 39,532 housing units, respectively. It was planned to build

15,000 houses during the growth period, and 1,717 (11.5%) were completed for rental housing purposes.

Concerning transferring the house to the beneficiaries, including existing constructions, it was proposed to transfer 200,932 houses through the lottery system. For those displaced with the case of development, 50,000 houses. However, 119,012(59.3%) houses draw in the lottery method, and 30,793(61.6%) houses were transferred to those displaced in the case of development.

The following graphs illustrate that houses transferred to beneficiaries in the plan period of the second growth transformation plan in Addis Ababa.

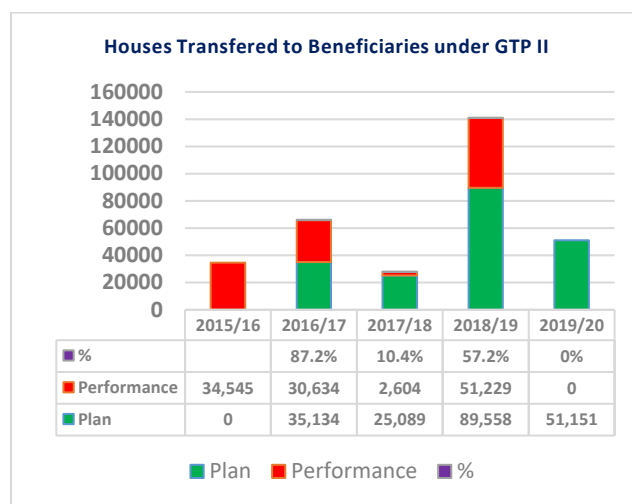


Chart 3: Performance of houses transferred in A.A. under GTP II (2015/16-2019/20)

Source: Land Bank & Transfer Office (2021)

Many houses were handed over to the beneficiaries in 2017/18, whereas only a few were transferred to beneficiaries in 2019/20. It was proposed to 50,000 condominiums for displaced people during the plan period. According to the city administration, 30,793 houses have been provided to displaced people, and 61.6% of them have been provided.

The city’s population nearly doubles every fifteen years. The urban services in question have, however, always been very much behind the requirements. The current housing issue, in particular in Addis Ababa, is good evidence. The public sector’s direct provision of decent housing and healthy grounds is needed to ensure that other players take the lead. The city administration has worked to alleviate the city’s housing problem during the last ten years by providing land to private housing developers and actively investing in the construction of affordable housing. Although the number of buildings and other associated results has been very cost-effective housing, It has had little impact on the extent of the need. Although this government program has exceeded expectations, it is insufficient.

The more critical point is that the city of Addis Ababa is at least unable to continue to supply unoccupied land for dwelling. It is past time to give up concentrating solely on greenfield house development. If housing development utilizes a gray area (old, slum, and dilapidated), as it did in places like Lideta and Arat Killo, it can help revitalize areas. When combined with public transportation and boulevards, it has the potential to serve as a driving force for economic growth in addition to revitalizing communities. It should be noted that such a large-scale housing construction should not be able to skip here and look for less dense and vacant zones. The focus should be on strategically chosen corridors and areas for optimum development.

As a general rule, redevelopment of Addis Ababa’s inner core and surroundings should result in the following critical outcomes:

1. **Integrated functions:** Redevelopment should take into account a variety of different urban purposes.
2. **Productive:** Redevelopment should result in a more efficient urban structure, boosting the city region’s productivity.
3. **Cohesive:** Redevelopment should keep the social cohesion that already exists.
4. **Urban quality:** Redeveloped sites must be designed to improve urban quality.
5. **Optimal:** Redevelopment should make the most of the existing infrastructure while also producing enough housing and jobs.

Redevelopment for the sake of boosting the city’s image is seen as a luxury in contemporary society. Urban design or aesthetic planning is usually only explored after a redevelopment project has been completed. The ultimate goals of redevelopment are to accommodate more people, create more jobs, and improve services. According to density studies conducted in a few city locations, adding more people and opening up some space for essential services is conceivable. The density study was carried out using the structure plan criteria as well as other factors that influence the density threshold. The following picture illustrates that the old inner-city area of Addis Ababa is changed due to the redevelopment program in the construction of condominium houses that change the city’s image. There is success in Ethiopia’s integrated housing development program (IHDP), and there are also challenges encountered during the implementation of integrated housing development programs. These are access to affordable housing finance, beneficial inner-city regeneration & resettlement for housing, stakeholders and community involvement in decision making, development of low-cost environmentally sustainable housing, application of usable building regulations and standards.



Image of the dilapidated inner-city area to be renewed



Image: The inner-city redevelopment area change image of the city

When we see the data, the land was transferred for different purposes. The land prepared to be transferred for housing development planned 2240 hectares, but its performance was 213.03 hectares, which was 9.51%. Whereas land for industry and land prepared for lease for different purposes, the performance was 75.86% and 37.42%, respectively. Based on the above data, the land development and supply-side significantly impact housing development in the city.

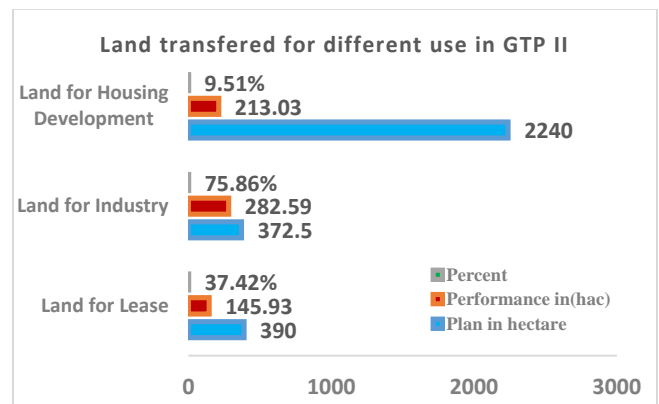


Chart 3: Land transferred for different under GTP II in Addis Ababa

Source: Land Bank & Transfer Office (2021)

The figure below indicates that the land developed for different purposes is declining from the initial GTP II plan to the end of the transformation plan.

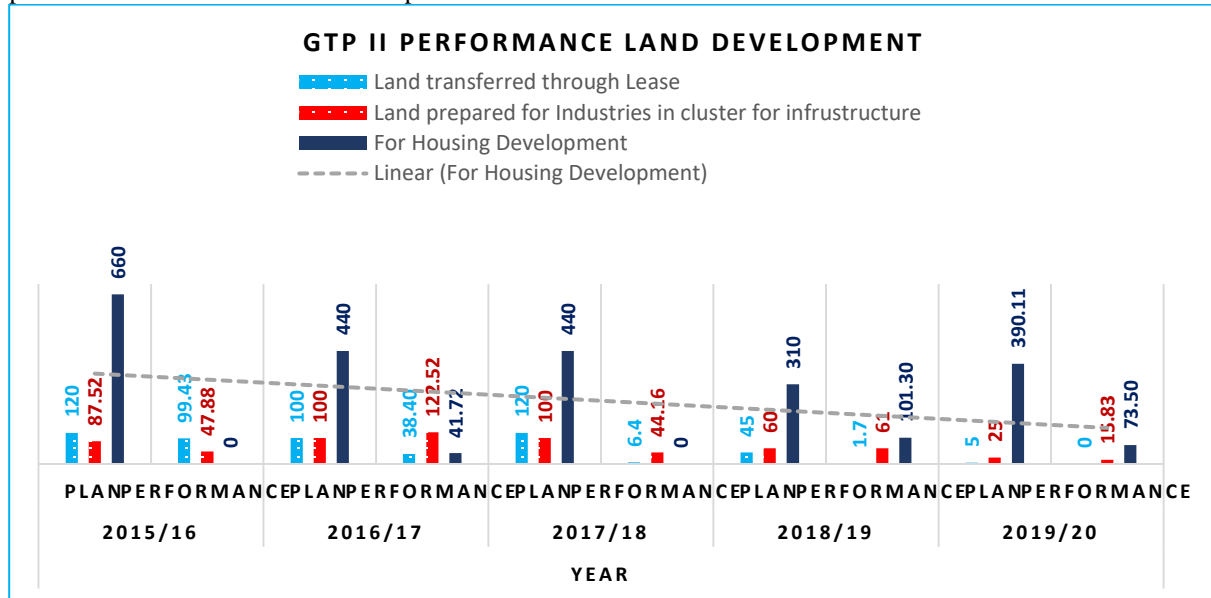


Chart 4: performance of land development in Addis Ababa GTP II(2015/16-2019/20)

Source: Land Bank & Transfer Office (2021)

One of the most important aspects of housing development is the acquisition of land. The availability and serviced land provision have a significant impact on private housing development in the city.

To conclude, under Ethiopia’s transformation plan, the government constructed under different housing schemes and transferred to the beneficiaries of 19,898 housing units under the 10/90 housing program, 188,956 units under 20/80, 19,548 units under the 40/60 housing scheme. This indicates that the government cannot achieve its goal to solve the housing problem in the city in the intended, planned period. There is no road map in Addis Ababa on how many houses, when, and where to provide them; A campaign is running it. This has led to delays not being built as the plan.

Besides, the Integrated Housing Development Program has been implemented in Addis Ababa since 1996 E.C and in regional cities since 1999, with about 380,000 houses constructed. However, when compared to the existing housing deficit in cities, this figure is insignificant. When the housing development program was launched in 1996, the government set a goal for ten years. However, as expected, the constructed and transferred houses are not achieved after 14 years. Although the work being done in housing development is not enough, over the past 14 years, 30 percent of the city’s housing shortage stock has been reduced due to the construction of condominiums. In this regard, the lack of implementation of the housing supply options set out in the Urban Housing Strategy Framework, which was approved in 2005 E.C, lacks options and private sector participation.

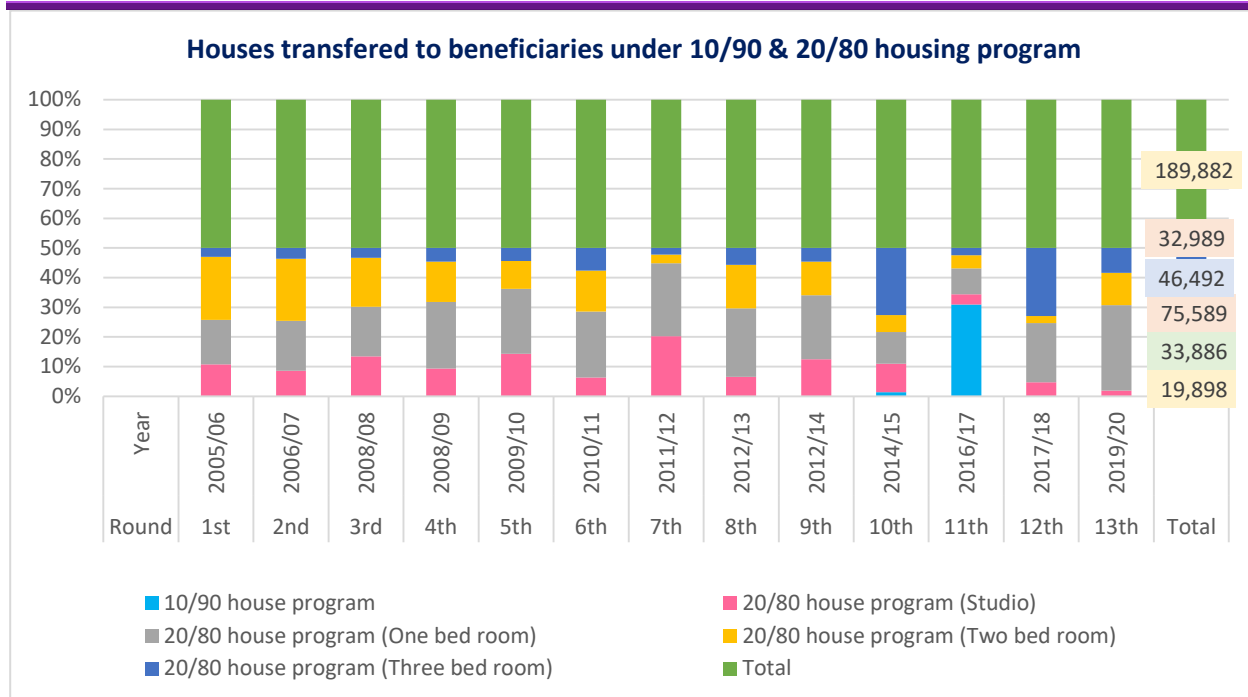


Chart 5: Houses transferred to beneficiaries in Addis Ababa (10/90 & 20/80 housing scheme)
 Source: Addis Ababa city housing development corporation (2021)

As indicated in the above chart, the government registered house seekers about one million. However, within 14 years, it can transfer or supply 189,882 (10/90 & 20/80 housing program) and 19,5489 (40/60 housing program) with a total of 209,430 houses transferred which is too low 21% of the registered demand to the beneficiaries within the 13th round in Addis Ababa city.

6 Conclusion

This research project has tried to evaluate the performance of housing development in Addis Ababa under the two transformation plan period. Strengthening the housing sector's recent achievements, particularly in the housing program, and expanding other housing options to provide a fair and adequate housing solution that significantly alleviates the housing crisis, the sector's contribution to the national economy can increase. Although our country's urban growth rate is still low, it is known that the population growth is very high, which makes the supply of housing very problematic. This rapid urban population growth is widening compared to the current housing supply. For example, there is a shortage of 1.2 million houses in our cities, and 250,000 houses need to be built every year to fill this gap. On the other hand, according to the Ministry of Urban Development and Housing, the Second Growth and Transformation Plan (GTP) planned to build 750,000 houses in all five housing development programs in Addis Ababa, big cities, and level one cities in the past five years is not achieved.

To address this growing demand for urban housing, which is likely to persist in the future, the government and other stakeholders need to use various housing options to create affordable housing. To this end, despite efforts by the government, private real estate developers, housing associations (cooperatives), development agencies, and individuals (self-sponsored) to provide housing, the process is far from over. Lack of housing finance has been identified as one of the main problems or causes in the housing supply in Ethiopia's capital Addis Ababa.

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