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Urban Land Policy and Housing for Poor and Women in Amhara Region: The Case of Bahir Dar City



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Session agenda: Land Policy and Reform II

Presentation outline

- Introduction and Background of Research Problem
- Objectives
- Research Methodology
- Main findings
- Study implication and recommendations

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1. Introduction and Background of Research Problem

- Housing is one of the basic necessities for human beings. However, it is a critical problem for millions of poor people in developing countries, and Ethiopia is no exception.
- Ethiopia's persistent urban poverty has made urban land and housing policy the subjects of ongoing debate. Hence, in Ethiopia, land is a common property of the nations, nationalities and peoples of Ethiopia and shall not be subject to sale.

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- Since the 1990s, a legal basis for the formation of urban lease holding system and the operation of holders has been established. In 1993 the government enacted the first and new leasehold proclamation that has been amended in 2002 and then in 2011.
- For operational implementation Ethiopia has had a decentralised regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs including urban land and housing problems.
- To support the housing market, the government has also provided various incentives, including the allocation of urban land at highly subsidised rates or free of charge, and subsidies to offset the cost of building materials

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- Nevertheless, these incentives ultimately helped to satisfy only a small portion of the housing demand, and the private sector has failed to deliver affordable housing at large scale.
- Importantly, the current urban land allocation through tender or auction makes it difficult for the poor to follow cumbersome procedures. It became difficult for poor people to save money and participate in auction.
- Furthermore, low-income and women households do not have access to housing credits. Thus, building in illegal areas, without construction and/or occupancy permits, remains as the only option for the urban poor.

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- In general , the practice indicated that urban land supply has been limited and make housing unaffordable. due to the following reasons :
 - ❖ extensive public ownership of land
 - ❖ unclear land transfer procedures,
 - ❖ unrealistic standards for land and infrastructure development,
 - construction and occupancy permits are complicated
 - ❖ complex procedures of urban planning and
 - ❖ unclear responsibilities among public agencies

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- Consequently, government instead of addressing problems, decided to enter in housing market, particularly to supply affordable housing in 2005. The Ministry of Works and Urban Development (MWUD) was set up to deal the issues.
- MWUD, to address these national goals urban housing development was identified as a key pillar in the priority intervention areas of the government's policy. So **Integrated Housing Development Programme (IHDP)** is considered as one of the main pillars of urban development package.
- IHDP is a government led and financed housing provision programme for low-and middle-income households.

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- IHDP aims to benefit low and middle-income urban residents who do not own a house. Moreover, the IHDP aims to ensure equitable distribution of wealth and to economically empower women; the IHDP sets specific targets with respect to women.
- Consequently, all regional governments have now enacted that at least 20-30% houses to be given to women and women are entitled to benefit from remaining 70-80% of the houses allocation.
- Despite the laws declare that at least 20-30% of the houses constructed to be allocated to women headed households, with the cost increases in the price of condominium houses deeming them no longer an option for many low-income households.

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- With this background information this study primarily considered the need for undertaking urban land policy in addressing the shelter need of urban poor and women in Bahir Dar city.
- This study is undertaken in Bahir Dar city. It is located approximately 578 km northwest of Addis Ababa the capital city of Ethiopia. The city has an area of 213.43 square kilometres and total population of approximately 221,991.
- Bahir Dar is selected because, the five-year IHDP has already finished and private ownership in multi-flat housing has become the dominant type of tenure in the city.
- Moreover, as it is the place where I did my B.Sc and now working, it is easy to get first-hand information from people who actively participate in law making and IHDP.

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- With this in mind, the following General research question and with different specific research question, which have been advanced in literature are addressed in this study.
- Generally the research tries to discuss :
 - How the urban land and housing policy that has been implemented in Bahir Dar city addressed the land and housing demand of urban poor and women?

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2. Objective

- **The general objective of the study is:**
 - ❖ To verify empirically the presumptions that urban land lease policy and Integrated Housing Development Programme (IHDP) solve housing problem of urban poor and women in Bahir Dar city.
- **Specifically the study initiated to:**
 - ❖ Evaluate contribution of the currently implemented IHDP in solving housing problem of Bahir Dar city poor and women.
 - ❖ Identify the main challenges of the Bahir Dar city land and housing policy to address the problem of poor and women.

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3. Research Methodology

- This study bases itself on both primary and secondary sources of data.
- The study used:
 - ❖ In-depth interview with relevant people from Housing agency municipality, and from urban poor and women.
 - ❖ Detail literature review.
 - ❖ Analysis of national and regional urban land and housing policy including IHDP, relevant regulations particularly on the allocation of condominium units issues in both printed & electronic form.
 - ❖ Case studies of condominium housing transfer from municipality.

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4. Result and Discussion

4.1 Urban land policy and accessibility by Bahir Dar city poor and women

- The urban land lease law clearly stated that an urban land for housing development shall be held by leasehold through tender or auction. The law confirmed that urban land shall be granted for the highest bidder on the basis of market (bid price) and competitive parameters (duration and amount of down payment).
- Thus, the current allocation of urban land through auction only benefit the higher income group and marginalizes the urban poor.
- There is no regulation that favours urban poor and women's access to urban land for housing development.

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- Even after land is acquired high standards for construction make it impossible to build low-income housing legally.
- Thus, building in illegal areas, without construction and/or occupancy permits, remains the only option for the urban poor.
- Pertaining to the solution adopted, the city administrations wanted to make the lower and middle income group of the society ownership of condominium unit because urban land is allocated through tender in which the poor doesn't accommodate.

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4.2 Urban housing policy Vs Bahir Dar city poor and women accessibility of housing

- It is very recently to address the ever increasing demand of houses Bahir Dar city administration in collaboration with Housing Development Project Agency has carried out a new approach for housing developments that consider urban poor and women; Integrated Housing development program.
- According to in-depth interview made with members of Bahir Dar city Administration and Housing Development Agency, this study found an important point observed in distribution of condominium unit rules-in-use.
- The regulation enacted for transferring condominium units to users emphasized that 80% of units constructed by Housing Development Agency aims to benefit low and middle income urban residents who do not to own a house and the remaining 20% aims to benefit higher income urban resident.

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- It has to be stressed, however, that the original targets of the program is only middle and lower income households. For the question why a regulation addresses demand of higher income group.
- Director of Bahir Dar City Housing Development Agency has said:
 - ❖ *HDA is a profit making agency and its establishment has not associated with addressing the housing need of urban poor residents. In operation the agency should get money from any individuals who can afford to buy the condominium unit since the agency is expected to cover all cost by its own generated revenue. It is due to this, 20% aims to benefit higher income urban resident..*

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- Also this study tried to understand how the poor and women were indulged in proclamation that has been enacted for transferring of condominium units constructed under Integrated Housing Development Programme for the first phase and now revised in the second phase.
- ❖ **In the First Phase:** On the IHDP 20% of the unit seekers with priority right shall be female households. In addition, urban women are entitled to benefit from the allocation of the remaining 80% of the houses constructed like any other urban resident. Furthermore, the government subsidized 30% of total sale price for studios.
- Unfortunately, the agency doesn't have data that indicate how many number of condominiums units have been distributed to low income, middle income, high income or women. Instead it showed general numbers that specify only interims of sex. Thus, it is impossible to conclude whether IHDP ensure equitable distribution of wealth and to economically empower women.

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- However, result of the interview with Director of City Administration indicated that: majority of women registered for lottery allocation were not coming during distribution of condominium unit.
- The possible reason suggested by the Director is lack of awareness about how IHDP consider them.
- This study also realized that IHDP designed to benefit low income urban residents through subsidizing them 30% of total sale price for studios had not been practice.
- Concerning the reasons, Director of City Administration has said that:
 - *There is no income verification system in place,*
 - *There is inaccessibility of unit seekers income status,*
 - *Lack of uniformity on who can be categorized under lower and middle income,*
 - *Lack of reliable time series information on condominium unit price determination and subsidization.*

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- This study also realized unanticipated outcome of IHDP: 60% of low-income and women, who were lucky to secure condominium units, are unable to service the required monthly mortgage repayments, and have chosen to privately rent out their unit, rather than risk losing it through foreclosure by the bank.
- However, it has to be stressed, that this widespread practice does not meet the original aim of improving the living conditions of the women by directly providing them with affordable housing.
- Therefore, the study indicated that, the IHDP in Bahir Dar city faces a specific affordability challenge in terms of low income and women.

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- ❖ **Second phase:** More recently, the regional government has enacted Revised Integrated Housing Development Programme Condominium Houses transferring to users' proclamation No 1/2012 for distribution of houses constructed in the second phase.
- Unfortunately, this proclamation only gives priority for those who can pay the total sale price in one time or better down payment than the fixed amount and subsidized interest rates has also removed.
- This implies that the currently enacted proclamation for transfer of condominium units totally ignore issues of ensuring equitable distribution of wealth and to economically empower women and poor's as compared to the first phase

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5. Conclusion and Recommendation

- ❖ Despite the urban lease policy exclude access of land by urban poor and women, there are many advantages that can compromise such inaccessibility like to scaling up the value of land with market.
- It should be, however, emphasized that there is a need for strong political commitment at all levels of land administration to address urban poor and women housing demand at a large scale.
- ❖ Particularly, serious attention should be given to challenges for implementing IHDP. For example grim consideration should be given to the affordability of condominium units.
- It require appropriate body to develop alternative approaches to address the capabilities of the urban poor and women households' who cannot afford formal condominium housing

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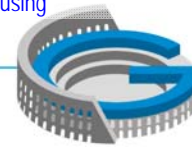


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- ❖ Despite in the IHDP 20% of the unit seekers with priority right shall be female households, it is equally important to provide financial support.
- Financial support mechanisms are needed to improve access to condominium housing units by women and poor..
- Likewise, specific attention needs to be given to Bahir Dar city poor households who cannot secure condominium unit due to lack of financial capacity.

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