



Integrated Housing Development Program

Volume I

Management Manual
How to plan and implement integrated
housing development programs



gtz



Addis Ababa
City Government



Low - cost Housing



Ministry of Works and
Urban Development



Ministry of Works and Urban Development



Addis Ababa
City Government

Addis Ababa City Government



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Shelter is the most important human need after food – decent shelter is the key to become a human being.

Already today three billion people – half of the world's population – live in urban centres – one third of them in slums. UN –Habitat states that we are already in the middle of a housing crisis. Slums will grow at an accelerated pace if not annually 35 million new housing units will be made available up to 2030.

Addis Ababa Integrated Housing Program

Ethiopia has started to cope with the housing challenge providing more than 30.000 new housing units to low and middle income people in Addis Ababa within two years. However, within the Addis Ababa Integrated Housing program, not only decent shelter was provided. Moreover,

- 40.000 labourers have received skills upgrading training
- More than 40.000 new jobs have been created and close to 2000 small enterprises have

been promoted

- About 130 real estate companies have come into being
- The construction sector has been diversified and strengthened
- Construction trades in the technical vocational education & training have become specialised & hence professionalized
- Contractors have received skills upgrading & management training being reinforced and more competitive thereafter
- The economy has been stimulated
- Savings from beneficiaries have been mobilized and housing mortgaged markets have been activated
- Micro Finance Institutes increased their lending.

For a period of only two years, these are considerable achievements aiming at contributing to the Millennium Development Goals (MDGs) through promoting private sector investment in infrastructure & housing. Moreover, poverty has been reduced by job creation and increased purchasing power.

The Integrated Ethiopian Housing Development Program

The intended "Integrated Ethiopian Housing Development Program" is a continuation of the "Addis Ababa Grand Housing Program" supporting the endeavours of the Ethiopian Government to implement the "Plan for Accelerated and Sustained Development to End Poverty" (PASDEP) in close col-

laboration with the private sector as driving force and the pro-active involvement of the target-groups.

The Ethiopian construction sector has a high potential for improvement in regard to practical skills, quality, technological innovation, managerial skills, IT¹ and cost-efficiency. The construction sector requires more professionalisation & diversification through the creation of specialized subcontractors for the different areas of construction². This offers a variety of options for MSE engagement with forward and backward linkages. Impacts can be felt immediately in facts, figures, jobs created, income and increased purchasing power.

In order to respond to the ever - growing need for low-cost housing in the urban areas of Ethiopia, it is proposed to implement the "Integrated Ethiopian Housing Program".

The objective is to provide sustainable low-cost housing solutions to low and middle urban income dwellers in urgent need of decent dwellings.

Special emphasis in regard to the provision of shelter should be given to female headed households being a specifically vulnerable target – group.

Financially viable and technically sound low-cost housing solutions shall be made accessible through:

- Plots of inner city land provided by the Municipalities free of lease costs
- A variety of standard designs

- (G+2-4) with adjustments to be made according to building materials availability and socio-cultural requirements
- Intensive utilisation of plots and economized basic infrastructure for settlement areas (vertical instead of horizontal growth) based on existing urban plans
 - Economic m² price for construction³
 - Beneficiaries' savings mobilisation combined with loans from financial organizations
 - Selling of housing units with title deed to create ownership
 - Direct subsidy or financing by Regional Governments, Municipalities and/or Donors for poor urban income dwellers⁴
 - Financing by companies wanting to invest in their workers by pre-financing housing for them.
 - Real estate promotion for selling & rental housing

The role of the Governmental Authorities will mainly consist in facilitating housing construction by creating a favorable environment for the development of private initiative - not in the provision of housing. The role of the Municipalities is to provide serviced plots for residential as well as commercial construction activities.

However, only with a strong commitment by the Government, integrated housing programs for poorer income groups will be successful.

Manuals as guideline for the Integrated Housing Development Program

The Manuals elaborated in a joint effort between the Addis Ababa Housing Development Project Office (AAHDPO) and the GTZ/Low-cost Housing Project are meant to give an orientation on how to plan and implement large scale integrated housing schemes, i.e. the "Integrated Housing Development Program".

Target-groups for the Manuals, comprising the experiences of seven years of cost-efficient low-cost housing in urban Ethiopia with special emphasis on the experiences of Addis Ababa in the last two years, are:

- Decision makers and administrative staff of Municipalities and Regional Governments intending to implement integrated housing schemes
- Regional Housing Development Project Offices, Enterprises and Housing Agencies
- Engineers, architects, urban planners, consultants
- Contractors
- Utilities
- Road Authorities
- Building material producers
- TVET⁵ decision makers
- Engineering Faculties of Universities
- MSE⁶ promotion decision makers
- Banks and Micro-finance Institutes (MFIs)
- Beneficiaries for housing programs

The Manuals consist of three volumes with the following topics:

- How to plan & implement

housing programs (management)

- Urban planning considerations
- Neighbourhood plans & housing typologies

addressing the specific interests and capacity building requirements of the different target-groups in the different volumes.

The Manuals are a compilation of best practices, lessons learnt and capacity building by training-on-the-job – on all levels.

They not only consider formal housing but also deal with integrated & ecological urban planning approaches, urban renewal, upgrading, and cultural heritage promotion giving an overview over the different instruments of integrated housing options within the framework of urban development planning.

H.E. Ato Arkebe Oqubay

Minister of State/Ministry of Works & Urban Development & Former Mayor of Addis Ababa City Government

Addis Ababa/Ethiopia, April, 2006

Notes

- ¹ Information technology
- ² MSE can be created for sanitary & electrical installation, roofing, bar bending, hollow concrete block production, beams production, etc.
- ³ Between Birr 800-1000 per m² construction, actual construction costs
- ⁴ Below Birr 300 gross monthly family household income
- ⁵ TVET: Technical Vocational and Educational Training
- ⁶ MSE: Micro and Small Enterprise

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“Cost-efficient housing in the framework of integrated urban development planning”

Name

“Best practices” in planning & implementation of cost-efficient urban housing in the framework of integrated urban development planning

Thematic areas; General explanation and background, framework conditions & relevance

Integrated approach to reduce poverty through promotion of economic development, in particular of the construction sector as motor of economic development.

Integrated cost-efficient housing has become the priority for the development of urban Ethiopia. Addis Ababa City Government has approved an action program for the promotion of housing construction for middle and lower income groups enjoying highest political priority.

Mass housing construction is to take place through pro-active micro- and small enterprise promotion, improvement of the performance of the construction sector through specialization, training – on – the – job and mobilisation of the saving potential of the beneficiaries.

The employment of thousands of unemployed youths, the promotion & creation of micro- and small enterprises, skills upgrading train-

ing of construction site management staff down to construction workers and the specialization of construction industry to construct decent shelter is the main investment program of the Addis Ababa City Government.

Contents/Concept

The planning & implementation of integrated cost-efficient housing programs is a comprehensive, multisectoral system approach consisting of the following components of urban development planning & economic promotion:

Cost-efficient densified provision of housing in the framework of structured urban development planning with pro-active participation of the private sector.

Introduction of innovative & environmentally friendly neighborhood, architectural, structural, sanitary & electrical designs as well as their implementation.

The settlements follow the concept of socio-economic mixture and mixed functions. The housing units dispose of electricity, water supply and sanitation, access & internal roads (physical basic infrastructure), social infrastructure and communal facilities to ease getting used to modern urban dwelling structures.

Advisory service to the utilities and

Municipalities to achieve a timely provision of basic infrastructure for the settlements (reduces costs).

Construction on urban in-fill areas has priority against construction on the outskirts of the cities to avoid urban sprawl and economize on the costs for basic infrastructure provision.

Newly formed neighborhoods are given advisory service to form groups/associations to take care of the repair & maintenance works of the buildings, the communal facilities, roads, walkways, organize the emptying of the septic tanks, etc.

A recently elaborated “Federal Urban Planning Law” and a Building Law (both presented to Parliament) will enhance structured urban development initiated and supervised by the Municipalities encouraging private sector investment and development.

The reduction of the m² price for construction by 40-50%

(Birr 800 – Birr 900 ; EUR 80 to 90) depending on the location, soil conditions/earthquake zone and type of building (on the basis of the Ethiopian Building Code) makes housing accessible to lower and middle income groups for the first time.

The dissemination of the cost-efficient technology takes place by

training and cooperation with the Ethiopian construction sector, i.e. consultants & contractors.

The local banks are releasing credits for the first time for housing including apartments to individual beneficiaries of the lower segments of society on the basis of title deeds. The interest rates are based on market conditions. The pay back discipline is very high – there are no defaulters up to now.

Advisory service to build up sustainable efficient structures for the planning & implementation of cost-efficient integrated housing programs.

Income & job generation through:

- Diversification of the construction industry through specialization within the construction trades such as electrical installation, sanitary installation, masonry, reinforcement/concrete/ barbender, roofing, ceramic tile laying, road maker, etc.
- Employment of construction workers on construction sites,
- Promotion of suppliers linked to the construction sector (forward and backward linkages) such as metal door, metal window, girders, hollow concrete blocks, furniture suppliers).

Training – on – the – job on all levels:

- Semi- and skilled construction workers, formen,
- Construction site management staff.

Mobilisation of saving potential of future house/apartment owners.

Users of the service package

Municipalities with economic problems and a huge housing deficit.

Impact

The service package enables the Municipalities to:

Implement cost-efficient densified housing construction on the basis of integrated & structured urban development planning combined with income & job promotion

& training – on – the – job in the framework of regional economic promotion.

Achieve an increase of their income through taxes and fees.

Direct benefits:

- Reduce unemployment, in particular of young people
- Micro and small enterprise promotion & creation.
- Increased income through taxes & fees.
- (Re-) activation of the economy.
- Diversification and professionalisation of the construction sector.
- Creation of value chain in the construction sector.
- Skills upgrading training.
- Mobilization of saving potential and integration into the economic/financial circulation process.

Indirect benefits:

- Improve the efficiency & effectiveness of urban services. Create conducive environment for private investment. Create confidence in governmental structures.
- Promotion of good governance.
- Win-win situation.

Context

The service package has been implemented in eight Municipalities of Ethiopia. In Addis Ababa, the capital of Ethiopia, 35,000 housing units are at present under construction on the basis of the service package described above.

Costs

Between Birr 800 - 900, i.e. EUR 80 – 90 per m² construction

Annex

Technical Manual I, 2003

Technical Manual II, 2005

Cultural Heritage Promotion, 2006

Interviews with stakeholders





W/rt Tesedale Mamo

by W/rt Tsedale Mamo, Manager of the Addis Ababa Housing Development Project Office (AAHDPO)

The acute housing shortage in the city was one of the major reasons to begin the program, some survey indicates, that in the city of Addis there is a backlog of more than 300,000 houses, and on top of that additional 40,000 housing units should be built every year for the new family formation.

And the other reason was, the slums which are found right in the city center, most of them, public owned houses which are deteriorated and dilapidated residential areas therefore, in order to address the acute housing problem and to change the image of the city.

An integrated housing development program has been designed, with a long-term objective of:

- Improving the standard of living of the city residents' through the creation of employment opportunities

- and the provision of decent affordable housing, and with specific objectives like,
- Promotion of Micro and Small Enterprises (MSE), which can absorb more labor force and operate at a lower overhead cost,
- Promotion of cost efficient and time saving construction technology,
- Empowering citizens of the city through ownership of houses and ensure tenure security,
- Strengthen the construction industry and improve the vocational training systems (TVET),
- Change the image of the city, through regenerating the slum areas of the inner city,

And our goal was to:

- Construct about 200,000 cost efficient houses,
- Create up to 60,000 employ-

ment opportunities,

- Expand and develop up to 2000 Micro and Small Enterprises (MSE),
- Reduce slum areas by 50%, over the next five years.

So far we have been able to achieve encouraging results towards our goal,

To mention a few:

- More than 2000 apartment housing units are completed,
- More than 30,000 housing units are under construction, on 100 different construction sites.
- About 1,500 Small Enterprise have been prepared for different construction activities and for building material production.
- More than 38,000 employments have been created, (skilled, semi-skilled, and daily laborers)

Through capacity building work, more than 1000 members of small scale enterprise and students from different universities have received on job training on different construction sites in different construction skills.

So far about 200 private building contractors are engaged on the construction of the houses and three private consultants are doing the quality assurance work, on top of the 200 site engineers who are assigned by the project office for supervision and inspection of the construction and construction material production.

The population of urban centers is growing very fast, this population growth requires or demands different services, among them is housing, therefore, in order to accommodate the growing urban population the best solution is to promote vertical growth and densification, and we believe and hope that the life style of city residents will change gradually, and in due time living in apartments will be preferable.

The major problem we have been facing is shortage of basic building materials, like cement and aggregate.

In terms of best practice:

- Construction management capacity, at city level and sub-city level project office have been developed, from zero to a capacity of managing more than 30,000 housing construction on 100 different sites,

- The construction of more than 1000 small scale enterprise in different construction skills,
- Improved building material production,
- Capacity building by construction of more than 30,000 houses in one year time,
- Promotion and usage of pre-cast elements at large scale
- Introduction of new building material technology like, "Agro stone": could be taken as best practices.

Housing is a basic human need next to food,

The role of the government is mainly focused on the construction management, on capacity building, on budget allocation.

And the role of the private sector is mainly on the operation/construction/production supply, etc.

Selection criterias are set before hand and made public, then according to the criteria's registration was undertaken in all 10 sub-cities accordingly screening and selection is made. The basic criteria is that, the beneficiaries should be residents of Addis, who owned no private house, and who could pay the advance payment up-front.

The finance for this program is totally covered by the city government budget.

The unit price for these houses, at the beginning it was about 800 Ethiopian Birr, at present it is about 1000 Ethiopian Birr/equivalent to 110 USD.



W/o Bekelech G/Hiwot

W/o Bekelech G/Hiwot was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project,

march 27, 2006 at Gulele site

Q.: You are living here in Gulele I Condominium Houses. Would you introduce your self please?

A.: Yes that is right. I am living here in Gulele I Condominium houses since November 26, 2006. My name is W/o Bekelech G/Hiwot, around 78 years old and widow. Four people including me are living in this one bedroom apartment, thanks to the Government that I got the chance at ground floor because I am very old to go up and down the stairs.

Q.: Where and how did you live before?

A.: I lived in Shiro Meda former Higher 11 kebele 09 in Kebele House, which has been made from Chika. It has an area of around 30 m² and I paid 18 Birr per month as rent.

Q.: How did you get the informa-

tion and the chance of this housing program?

A.: In April 2005 People from our Kebele came and registered us. There was no pre-request for the registration. The condition was that I should give the Kebele house back to the Kebele after I got my Apartment.

Q.: Would you tell us please how big your apartment is and how you finance it.

A.: As I told you before it is one bedroom apartment with Kitchen and Toilet and of course one living room. For my family and me it is big enough. I do not now exactly know how much it costs but I paid 3,000.00 Birr as down payment. May be it is around 30,000.00 Birr. I finance this apartment with out credit. I pay 167.00 Birr per month for 20 years.

Q.: How do you like it to live in an apartment?

A.: I like it really very much. I am very happy to live in such bright and clean house for the rest of my life, while my former dwelling house did not meet such standard.

Q.: What are the advantages and disadvantages of living in this kind of settlement?

A.: The advantage is that it is clean and attractive. The disadvantage is that there is some times a noise from the upper floor. There is no toilet outside the apartment, I cannot use the communal facilities up to now and there is no Garbage Container around the settlement.

Q.: Do you know your neighbors? How is the relationship with them?

A.: Yes I know them we have a good relationship.

Q.: Would you tell us please how the settlement is organized and whether owner Association has been formed and legalized?

A.: I know that we have a committee but I do not know about the formation of owner Association.

Q.: How are you financing your self?

A.: I was a housewife and I get a pension from my husband's contribution. Additionally my children are supporting me.

Q.: What is your impression about the communal facilities?

A.: I like them and they are useful and necessary for the dwellers but we are not allowed to use them until now. The Government did not handed over them to the community.

Q.: What do you think about the green areas?

A.: There is no green area but some open spaces for our social needs and play ground for our children. Such a place is very important for the dwellers to satisfy our cultural needs. The only problem is that there are a lot of people living around for a small open space. It is also open for every body outside the community.

Q.: What do you think about the Addis Ababa Grand Housing Program?

A.: The Addis Ababa Grand Hous-

ing Program is doing a good job. It shall continue this activity even if I cannot say that all poor people will afford the required amount of money.

Q.: What should be improved?

A.: In general, I am satisfied about the house, but the craftsmen must be more closely supervised.



Ato Abebaw Asefa

Ato Abebaw Asefa was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project,

march 27, 2006 at Gulele II site

Q.: You are living here in Gulele II Condominium Houses. Would you please introduce your self?

A.: Yes that is right, I am living here since four months. My name is Ato Abebaw Asefa. I am 32 years old and married. Including me, we are four living in this one bedroom apartment.

Q.: Where and how did you live before?

A.: I lived in Gulele in Chika house. It was a little house, which is about 16 m². I did not pay a rent for that house while I myself constructed it temporarily, after mine and my neighbor's houses have been destroyed by fire.

Q.: How did you get the information and the chance of this housing program?

A.: The information came from the

kebele, later we registered in the sub-city. The pre-request for the registration was that we are supposed to leave the area, when we get the apartment. While there were a lot of dwellers registered, we got the chance by lottery.

Q.: How big is your apartment and how do you finance it.

A.: My apartment has an area of 54 m². It has one bedroom, one living room one kitchen and toilet. This apartment costs totally 36,000.00 Birr. I paid 3,600.00 Birr as down payment. I finance it without bank credit while I am self-employed in woodwork shop. I am supposed to pay Birr 176.00 per month to finance this apartment for 20 years.

Q.: How do you found it to live in an apartment?

A.: It is very good, clean and bright. We have all what we need like toilet and kitchen in the house.

Q.: What are the advantages and disadvantages of living in this kind of settlement?

A.: The advantage is what I told you before it belongs to me. The disadvantage is the security and safety, which caused by the dwellers and from people outside.

Q.: Do you know your neighbors? How is the relationship with them?

A.: Not much, but we are forming an Edir and we will know each other more in the future. The relationship is very good.

Q.: How is the settlement organized?

A.: A committee has been created but there is no owner Association until now.

Q.: How are you financing your self?

A.: I have a small wood workshop. On average, I earn Birr 800.00 per month, which I used to support my family and for the monthly payment for the apartment.

Q.: What is your impression about the communal facilities?

A.: I think they are necessary for us but they are still closed and I do not have more Idea about them. We could not use them until now.

Q.: What do you think about the green areas?

A.: Such places are very important, we are using them but it is open for everybody outside the community.

Q.: What do you think about the Addis Ababa Grand Housing Program?

A.: The Addis Ababa Grand Housing Program must continue to construct such houses to solve the housing problem.

Q.: Do you think that this housing program serves the lower income group?

A.: I don't think, that the program serves the low-income group but it serves the middle-income group and may be some people with low-income.

Q.: What should be improved?

A.: As I told you before the blocks must not be more than G+2



W/o Taitu Gashawbeza

W/o Taitu Gashawbeza was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project

march 27, 2006 at Kebena Shell site

Q.: You are living here in Kebena Shell Condominium Houses. Would you introduce your self please?

A.: Yes, I am living here in Kebena Shell Site since November 26, 2006. My name is W/o Taitu Gashawbeza, around 57 years old and married. Totally we are six people living in this one bedroom apartment.

Q.: Where and how did you live before?

A.: I lived before in Arada Sub-city around Arat Kilo in my private house. My former house was constructed by hollow concrete block. It had three small rooms with an area of 25 m².

Q.: How did you get the information and the chance of this housing program?

A.: I have been informed through Kebele Officials. They recom-

mended the investment.

While the house belonged to me, I got a compensation of Birr 20,000.00. Finally I got the chance through lottery.

Q.: Would you tell us please how big your apartment is and how you finance it.

A.: It is one bedroom apartment with living room, kitchen and toilet inside. It is bigger and cleaner than my former houses. As a down payment, I paid 2,780.00 Birr. I do not have in mind how much it cost, but I have to pay 170.00 Birr per month starting in the new future for the next 20 years.

Q.: How do you like it to live in an apartment?

A.: I like it.

Q.: What are the advantages and disadvantages of living in this kind of settlement?

A.: The advantage is that it is a clean house, water and kitchen are all in the apartment and the settlement is quite and much better than where I was before. The disadvantage is, that it is not comfortable for elder people to live in the apartment of higher stories, while they feel tired to use the staircases.

Q.: Do you know your neighbors? How is the relationship with them?

A.: Yes we know each other. We have Edir and we visit each other on occasions. I have a good relationship with my neighbors.

Q.: Would you tell us please how

the settlement is organized and whether an owner Association has been formed and legalized?

A.: There is no owner Association. A committee which tries to solve the problems of the community has been formed.

Q.: How are you financing your self?

A.: I am a housewife and my husband gets 250.00 Birr/month as pension. He worked before in the Ministry of Agriculture. We are living now economically with this money, but when we start to pay the monthly payment for the apartment, it will be difficult.

Q.: Do you like the communal facilities? Are they adequate for your needs?

A.: Yes, I like them but they are not adequate for our need. The rooms are very small, that we could not share one room for 6 persons. The Washbasin is not good designed. It is very deep. Any way we did not start to use them until now. The committee is following every thing concerning the communal facilities.

Q.: What do you think about the green areas?

A.: They are small open spaces, but we keep them clean and use them as free space and children play ground.

Q.: What do you think about the Addis Ababa Grand Housing Program?

A.: It has done well. It is clean and hygienic apartment.

Q.: Does it serve the lower income people?

A.: I do not know, because I did not start to pay the monthly payment. May be it will be difficult for people with very low monthly income. Any way the program must continue.

Q.: What should be improved?

A.: The communal facilities must be improved, the payment affordability must be studied and the compensation for those whose houses will be demolished like me must be revised and some how higher.



Ato Debebe Asefa

Ato Debebe Asefa was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project

march 28, 2006 at Lideta site

Q.: You are living here in Lideta Condominium Houses. Would you introduce your self please?

A.: Yes I live here. My name is Ato Debebe Asefa. I am 62 years old and married. We are seven people living in this one bedroom apartment. We moved to this apartment on February 16, 2006.

Q.: Where and how did you live before?

A.: We lived in Higher 3 Kebele 33 near Teklehaimanot in Kebele House, which has 20 m². I paid 5.00 Birr per month for that house.

Q.: How did you get the information and the chance to join this housing program?

A.: The Sub-city people have informed us to be registered for the condominium. Later we

have been registered and began to pay monthly 50.00 Birr for the down payment. As the houses were completed we have been allowed to move in by lottery.

Q.: How big is your apartment and how do you finance it.

A.: My apartment has one bedroom and an area of 44.39 m². Beside the living room, it has kitchen and toilet. This apartment costs totally 34,000.00 Birr. I paid 2,700.00 Birr as down payment and the rest will be paid in monthly payments of Birr 161.00 for 20 years.

Q.: How do you like it to live in an apartment?

A.: I like it very much. It is clean with enough infrastructures.

Q.: What are the advantages and disadvantages of living in this kind of settlement?

A.: I do not see a disadvantage; there are some advantages for example: own private toilet, water, road access and the location is also central.

Q.: Do you know your neighbors? How is the relationship with them?

A.: Yes we know each other very well. Even there are some people, who moved to this settlement with me from our former living area.

Q.: How is the settlement organized and has an owner Association been formed and legalized?

A.: We have created a committee, which tries to solve the prob-

lems of the community.

An owner Association is not yet formed.

Q.: How are you financing your self?

A.: As I told you before, I am pensioned and receive 120.00 Birr per month. I worked in the Ministry of Education and had a salary of 247.00 Birr. My wife is still working in the Ministry of Education and receives monthly around 300.00 Birr. With this money, we try to live and pay back our apartment cost.

Q.: Do you like the communal facilities? Are they adequate for your needs?

A.: Yes I like them, but they are very small rooms and not enough for all dwellers, besides we did not start to use them because we did not pay for them.

Q.: What do you think about the green areas?

A.: It is good that we have such open spaces. Our children are playing there.

Q.: What do you think about the Addis Ababa Grand Housing Program?

A.: I found the program very good. It should continue.

Q.: Does it serve the lower income people?

A.: I think it will be very difficult for most poor people to benefit from the program, unless the payment will be reduced. Any way the program must continue.

Q.: What should be improved?

A.: More supervision is necessary on laborers and technicians.



W/o Abaynesh W/Giorgis

W/o Abaynesh W/Giorgis was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project April 4, 2006 at Gerji site

Q.: You are living here in Gerji I Condominium Houses. Would you please introduce your self?

A.: My name is W/o Abaynesh W/Giorgis. I am 55 years old, married and have also children. Including my housemaid, we are 5 persons living in this apartment with two bedrooms. We live here since June 26, 2005.

Q.: Where and how did you live before?

A.: Before I come to this Gerji model condominium house, I lived in Kebele house, Woreda 1 Kebele 04, The Kebele house has an area of about 85 m². The house rent was Birr 65.50 per month.

Q.: How did you get the information and the chance of this housing program?

A.: I got the information though

mass media, newspaper, office etc. I got the chance to get this apartment through my Addis Credit and Savings Association. The condition was that I give back my Kebele house to the Kebele. The registration took place in my saving and credit Association in Ministry of Agriculture.

Q.: Would you please tell us how big your apartment is and how you finance it

A.: My new apartment is 82.79 m². It cost 112,249.00 Ethiopian Birr excluding finishing works. I paid as a down payment about Birr 96,000.00. The rest, I took a credit from Construction and Business Bank, which I will pay back it in almost four years paying monthly Birr 463.00.

Q.: How do you like it to live in an apartment?

A.: I like to live in this apartment because; I found it good to live in apartment in limited amount of household members.

Q.: What are the advantages and disadvantages of living in this kind of settlement?

A.: I see many advantages some are as follows:

- It enables us to have good communication with neighbors and promotes closer friendliness, understanding and willingness to help each other among the community members.
- It creates the opportunity for cooperative activities,
- The people soon realize the importance of family planning; because no space for

large family,

- Division of house labor takes place here, both sexes and young children are willing to work together, and share responsibilities.

As a disadvantage I see the following points:

- Most of the people who rent the unit are not as careful as the owner of the unit; they create unfavorable conditions, to the people who are living in the condominium.
- Some owners damp their rest of construction material and wastages on the green areas. They do not feel responsible.

Q.: Do you know your neighbors? How is the relationship with them?

A.: Yes I know my neighbors very well, because I was elected to work as a committee member, in the community so, I introduced my self and tried my best to let others to know each other; most of them have good relationship and communication. They will have good and better relationship when they use the green areas for recreation.

Q.: How is the settlement organized? Was an owner Association formed and legalized?

A.: The community has elected a committee to solve its problems. Most of the community members are actively participating in the assessment of common problems. Up to now no owner Association is formed and legalized. We know GTZ, the Addis Credit

and Saving Union and housing agency. These offices give us advice to solve our problems and organize us, that we will take over all responsibilities in the future and manage the settlement.

Q.: How are you financing your self?

A.: I am working now in the ministry of agriculture and rural development (MOARD), which I earn monthly a gross income of Birr 2,075.00 Birr. My specialized in community development and work as gender and nutrition expert in the extension department of agriculture.

Q.: Do you like the communal facilities? Are they adequate for your needs?

A.: Yes the communal facilities seem adequate, but we did not start to use them up to now because of the payment and other reasons.

Q.: What do you think about the green areas?

A.: They are useful but not yet used because of leveling and accumulated waste. The green areas are useful for the people who are living in condominium. We want to use them for recreation, but it needs to be leveled and clean.

Q.: What do you think about the Addis Ababa Grand Housing Program?

A.: The Grand Housing Program in Addis Ababa is a need because the city population grows rapidly and the home seekers number increases from day to

day. For this problem, I think the construction of condominium houses is a solution. This program should continue.

Q.: Does it serve the lower income people?

A.: Yes, mostly it is serving the middle-income class.

Q.: What should be improved?

A.: While Gerji I is a model project site, I think there are some things to improve in order to make the program successful. These are the following points:

- The finishing works of buildings must be completed before handing over to the beneficiaries because one affects the other unit during finishing works and damage the building, water pipe and electric lines.
- The water and electric lines must be appropriate to insure the durability of the materials and the services.
- All the commercial business must depend on the demand of the people who are living in the condominium.
- Orientation must be given to the people who move to the condominium on the rules and regulation of condominium.
- There must be a toilet outside the apartments.
- Water tank in each block is a need during the absence of water supply, because it is very difficult to live in condominium without water.



pictures from Bole / Gerji pilot apartment construction

Interviews with Addis Ababa Sub-city Housing Development Project Office managers



Ato Asegid Getachew

Manager of Kolfie Keranio Housing Development Project Office, Kolfie Keranio sub city

Q.: How and when did the Addis Ababa Grand Housing Program come into being in your sub city?

A.: One of the acute problems of the city is the shortage of shelter. To alleviate this severe problem, the City Administration has established the Housing Development Project Office. Its main responsibility is implementing the Grand Housing program at city level. Later it was believed that such huge program could only be achieved if the operational work is transferred to the sub cities. In this case, our office was established in November 2004.

Q.: What were the objectives of the Addis Ababa Grand Housing Program?

A.: The Grand Housing Program has a multidimensional effect to address the city's basic

problems. The main objectives of the program are:

- To provide decent and affordable houses for the lower and middle classes of the dwellers,
- To create job opportunities through promotion of micro and small-scale enterprises,
- To change the slum areas of the inner city and change the image of the city,
- To transfer cost-efficient technology and in effect to modernize the construction sector through technology transfer and capacity building,
- To empower citizens of the city through ownership of houses and create fair wealth distribution,
- To create a culture of saving among the citizens so as to facilitate the construction process,
- To secure efficient land use system by densification and vertical growth.

Q.: Were the objectives met in your sub city?

A.: It is early to conclude but the above objectives are the pillar of the program. So, it is possible to say with confidence, we will achieve these objectives through the course of implementation.

Q.: How many housing units have been constructed up to now and how many more are under construction in your sub city?

A.: The construction of housing units has started in line with the project office establishment. There are 6905 housing units

under construction at five sites. Among the five sites, Mikileland is the biggest site in Addis, which contains about 4642 housing units.

Q.: How many jobs were created in your sub city?

A.: Average job opportunities created were about 12000 in each month. These are skilled and unskilled laborers. There are also job opportunities for transporters and suppliers of construction materials.

Q.: How many Micro and Small Enterprises were created or promoted in your sub city?

A.: A total number of 210 Micro and Small Enterprises, which have 2650 members, were created and currently most of them are participating in the program. The areas that the enterprises are involved in are mainly in construction (mason, electrical and sanitary installation) and construction material production (HCB, Pre cast beam and aggregate producers, door and window fabrication)

Q.: How many people were trained on the job in your sub city?

A.: About 700 people were trained on our construction sites. These include members of MSE, Vocational school teachers and students and students of higher institutes.

Q.: How many contractors participated and were trained in your sub city?

A.: There are 36 main contractors who mainly participated in the construction of structural

works. The categories of the contractors ranges from GC/BC 1 to GC/BC 6. It is also expected to have some more sub contractors who will participate in finishing and site works in addition to the existing MSE's.

Q.: What was the average m² price for construction?

A.: Since the construction of the buildings is under way, it is not possible to set the final price. But there is a fixed m²-price of 998,56 Birr per m² set by HDPO.

Q.: Have you completed an apartment and handed over to the beneficiaries?

A.: No, there are no completed houses in our sub city.

Q.: How will be the beneficiaries selected?

A.: The office of Housing Agency will select the beneficiaries.

Q.: What financing mechanisms are available?

A.: The financing mechanism is the budget allocate by the city Administration. The other financing mechanisms are down payments from the beneficiaries and payments from selling of shops through bidding.

Q.: Do you think apartment buildings are the appropriate life style for urban dwellers in Addis Ababa and Ethiopia? If yes, why?

A.: Yes, take a couple of points that justify the need. Land is limited resource. Construction of houses in individual plots needs large supply of plots. This af-

fects provision of land for other investments and social services. And it also incurs additional cost for land preparation. The other main reason is cost of infrastructure provision. Apartment buildings contain more family and the distribution of the cost per head is much smaller than that of individual plots.

Q.: What were the main problems you faced?

A.: Many problems happened in such large-scale construction works. Specially, when organization of office and construction process start simultaneously. But the basic problem is logistics. Supply of HCB, pre-cast beam cement and aggregate were crucial. Cement is still a problem that needs attention, while there is a shortage. Besides the logistics, maintaining quality was a challenge. We faced a problem to pull out the construction process from traditional way of client-contractor relationship and to direct the work with standard construction practice. The other problem in relation to this point is the capacity of the contractors both in financial and machinery terms. The other typical problem of the sub city is insufficient water supply. This affects the progress of the construction.

Q.: What 'best practices' have you experienced?

A.: At the inception of the project it seems miracle to build such big size of construction. Especially when you refer the

input materials like HCB, aggregate and pre-cast beams. It was the best practice the way MSEs' took part in the construction process. Organizing & giving them short and precise training, selection and preparation of production sites, equipping them with machines and financing them with in such short time was one of the achievements of the program. The other point that has to be mentioned is the commitment and the win-win spirit of every participant of the program. As to my knowledge, before the establishment of the Interim Administration, the houses that were built for the last 8 to 10 year were not more than 6000. Comparing to 7000 units in one sub-city is a great leap in which one could dig out lots of experience from it.

Q.: Is housing an essential problem or "felt need"?

A.: Different papers of studies in housing sector show that the backlog of housing is about 250,000 units. These papers also reveal that 80% of the existing housing units far more below the minimum standard. It shows that the problem is severe and acute. Addressing housing problem has a direct impact on the improvement of economic, social and cultural activities of the urban dwellers. So, it is a must to tackle the problem and create stable situation by providing the citizens decent and affordable houses.

Q.: What organizational structure do you recommend for hous-

ing programs.

A.: The existing organizational structure is workable with slight modification. For instance, separate department for logistics. There is also the need for having legal service. Introduce short approval process and budget release system. The other point that has to be encouraged is the introduction of different external consultants to the program.

Q.: What should the role of the Government be and what should the role of the private sector be?

A.: It is good to address this question in time frame. In short term, where housing problem is very acute and capacity of the major urban dwellers for housing is very limited, the Government should take the lion share from plot preparation to housing construction. On the other hand during this period the private sector plays its part in addressing housing problems through real estate for higher classes of the citizens.

Q.: Should the housing program continue?

A.: The housing program should continue. It is the strategic point to address different problems. Through this program, it is possible to provide decent houses for the urban dwellers. It is also a known fact that construction sector absorbs the great portion of labour or it generates job opportunities. In addition to this act, the city has to change its image to play the role of the city of the continent

as well as the city of different International Organizations.



Ato Lealem Berhanu

Manager of Nefas Silk Lafto Housing Development Project Office,
Nefas Silk Lafto sub city

Q.: How and when did the Addis Ababa Grand Housing Program come into being in your sub city?

A.: It became into being in November 2004 based on the decision made by the city administration to have ten sub-city project offices.

Q.: What were the objectives of the Addis Ababa Grand Housing Program?

A.: The objectives were:

- to alleviate the acute urban housing problem in the city,
- to upgrade and improve the slum areas of the city,
- based on the integrated housing program, to create jobs there by increase in income of the poor, enhance small and micro enterprises in the construction sector and
- to improve the TVET pro-

gram and enhance the construction industry.

Q.: Were the objectives met in your sub city?

A.: Yes, even if it wasn't met 100% as planned due to ample reasons, we have achieved a significant amount of its objectives.

Q.: How many housing units have been constructed up to now and how many more are under construction in your sub city?

A.: 2261 housing units are under construction in our sub city.

Q.: How many jobs were created in your sub city?

A.: 11,113 jobs were created in our sub city

Q.: How many Micro and Small Enterprises were created or promoted in your sub city?

A.: The Micro and Small Enterprises, which were created in our sub city, according to their branches are as follow:

- Metal and wood work:	64
- HCB production:	52
- Precast Beam Production:	8
- Sanitary installation:	3
- Electrical installation:	6
- Aggregate production:	2
- Building construction:	22
- Finishing works:	5
Total	162

Q.: How many people were trained on the job in your sub city?

A.: Around 794 people were trained.

Q.: How many contractors participated and were trained in your sub city?

A.: 25 contractors have participated in our sub city.

Q.: What was the average m² price for construction?

A.: When it was started the average m² price was Birr 900.00

Q.: Do you think apartment buildings are the appropriate life style for urban dwellers in Addis Ababa and Ethiopia? If yes, why?

A.: Yes, because there is shortage of land in urban areas, in addition to that it is very expensive to provide infrastructure if the city expands horizontally.

Q.: What were the main problems you faced?

A.: The main problems we are facing, are shortage of construction materials.

Q.: What 'best practices' have you experiences?

A.: The best experience or practice that we have got is the new technology or way of construction that enable us to complete a G+4 apartment building within 4 months provided that there are sufficient construction materials.

Q.: Is housing an essential problem or "felt need"?

A.: Yes housing is an essential problem in our sub city.

Q.: What are the futures plans on housing in your sub city?

A.: The future plans of the sub city depend on the decision made by the city administration.

Q.: What organizational structure

do you recommend for housing programs?

A.: As such, we don't encounter any problem due to the existing structure, where as if there is a better organizational structure, it is possible to implement it.

Q.: What should the role of the Government be and what should the role of the private sector be?

A.: The government should keep focus on alleviating the housing problem and the private sector must involve in the construction of the Low-cost Housing.

Q.: Should the housing program continue?

A.: Yes, it should continue.



Ato Mekonen Wube

Manager of Bole Housing Development Project Office,
Bole sub-city

Q.: How and when did the Addis Ababa Grand Housing Program come into being in your sub city?

A.: Bole housing development project office established on November 01, 1997 E.C aims to construct 2400 housing units without dislocating and displacement of people.

Q.: What were the objectives of the Addis Ababa grand housing program?

A.: To solve housing problems, to reduce unemployment rate by organizing Micro and Small Enterprise and to encourage the construction industry

Q.: Were the objectives met in your sub city?

A.: I think it is too early to evaluate the project.

Q.: How many housing units have

been constructed up to now and how many more are under construction in your sub city?

A.: 2359 housing units are under construction.

Q.: How many jobs and Micro and Small Enterprises were created in your sub city? How many people were trained on the job in your sub city?

A.: More than three thousand people have been employed and trained during construction time and more than 100 micro and small and enterprises have been involved and promoted. Our housing program is in line with employment creation, income generation, revitalization of the construction industry and the development of private sector and participating different professionals with the new construction technology.

Q.: How many contractors participated and were trained in the process?

A.: More than 27 contractors are participating in the process.

Q.: What financial mechanisms are available?

A.: We do not have other financial mechanisms until now. We are fully dependent on the city government's budget. In the future we need to look for other financial sources.

Q.: Do you think apartment buildings are the appropriate life style for urban dwellers in Addis Ababa and Ethiopia? If yes, why?

A.: It is difficult to say apartment buildings are appropriate for

urban dwellers in Ethiopia at this moment; however, the current situation forced us to build apartment buildings. The existing situation of Addis Ababa demonstrates the need of vertical growth and densification rather than horizontal growth. In order to build apartment buildings in Ethiopian urban centers, one has to consider that the housing standards should accommodate the socio-cultural needs of the residents to bring about a successful housing. If we do this assignment, people will become conscious of the need for apartments in dwelling as the society advances in its economics. The dweller's cultural values influence their use of a house. The concept of privacy, property, need to share and other cultural practices should be considered so as making apartments appropriate in Ethiopian urban centres.

Q.: What were the main problems you faced?

A.: Shortage of construction skills, shortage of construction materials like cement, aggregate and etc., frequent modification of design and poor coordination among the different stakeholders.

Q.: What "best practiced" have you experienced?

A.: The project has brought attitudinal changes among the community and the project staff. The project has made different professionals participate in the new construction technology. Micro and small enterprises

have succeeded in different construction activities.

Q.: Is housing an essential problem or “felt need”?

A.: Housing remains a stubborn problem in Addis Ababa.

Q.: What are the future plans on housing in your sub city?

A.: The future plan of the sub city is to build more than 2000 housing units.

Q.: What organizational structure do you recommend for housing programme?

A.: The current organization structure is appropriate with some modification. It needs to give full power to the sub city housing development project office.

Q.: What should the role of the government be and what should the role of the private sector be?

A.: We can see that government is involved in practically every area of housing provision in one way or another. May be the question: why? The noble answer is that all people have a right to secure, affordable housing. However, the gap between this statement and the housing crisis being experienced in Addis Ababa increasing homelessness, housing related poverty, and unaffordable private rental. The answer lies in our opening observation that the role of the government and the private sector should go hand in hand to determine the provision and affordability of housing. Housing for a nation

is a major responsibility; it is a joint effort between the private sector and the government. Therefore the role of the government and the private sector should be as follow:

- To government should promote stability, sustainability, flexibility and fairness of housing.
- Institutional support through setting up of institutions like Cooperation Company, Bank, construction industry development board, political leadership support.
- Promote the use of new manufactured homes to realize potential cost reductions in housing.
- Encourage coordinated effort to jointly designate for housing and to investigate private and public sources of funding.
- Encourage employer participation programs and offer incentives to encourage employers to contribute in some way to housing that is affordable to its workers.
- Promote a variety of techniques for increasing the supply of housing such as incentives for development of multi family housing.
- Establish a public/private partnership to ensure mutual understanding and practice of the development and finance market and to develop ways to improve production and lower the costs for housing units.
- Support the development of the private developers in the housing sector.

Q.: Should the housing programme continue?

A.: Housing program should continue to deliver the most efficient and effective housing before things get worse. I believe and reaffirm the role and responsibility of government in the provision of housing: to ensure that all people have a right to secure, affordable housing.



Dr. Mesele Haile

Managing Director of MH-Engineering PLC

Q.: What is your opinion on the Addis Ababa Grand Housing Program?

A.: The Addis Ababa Housing program is one of the largest construction schemes ever attempted in the country. It also addresses most of the paramount social issues of the city like shelter, job creation etc. Therefore it was one of the important projects carried in the country.

Q.: What were the objectives according to your opinion & knowledge of the Addis Ababa Grand Housing Program?

A.: The main objectives were:

- to create shelter for up to 50,000 families per year and 250,000 in five years,
- to create jobs for the unemployed youth of the city,
- to promote MSE through sub contracting of building

elements,

- to build the capacity of the construction sector through the training on job.

Q.: Do you think the Grand Housing Program met its objectives?

A.: The objectives are partially met.

Q.: What is your role in the Addis Ababa Grand Housing Program?

A.: I participated right from the inception of the project, through to design and implementation.

Q.: How important is supervision & quality assurance for the Addis Ababa Grand Housing Program?

A.: It is extremely important to have a strong supervision and quality control standards for any construction project. In this project more of these are required as we are introducing new players like the MSE. Also smaller contractors with less experience were encouraged to undertake the job. Therefore, more emphasis should be made to the supervision and quality assurance aspect in this project when compared to other projects.

Q.: How can a professional supervision & quality assurance be organized, implemented/guaranteed?

A.: The use of private consultants and highly skilled professionals, with clear task and responsibility are the best meant to do the supervision work.

Q.: What kinds of professionals are required for quality assurance?

A.: Civil Engineers and Building Engineers and Architects with relevant practical experience.

Q.: What training/capacity building/preparation do they require?

A.: Proper orientation, workshop and familiarization of the professionals to the particulars of this project should be given to the supervisors. Besides this a particular checklist prepared for the project should be introduced to the supervisors.

Q.: How can this training/capacity building/preparation be organized?

A.: Training and capacity building should be given by people who have actual hands on experience in the previous projects.

Q.: How should quality assurance be organized and implemented in the future for the Great Ethiopian Housing Program?

A.: It should be a focused effort, which comprises training of the supervisors, preparation of training manual and handouts, and making follow-up and evaluation of the supervisor's performance.



Ato Edom Fessehaye

MGM Consult P. L. C

Q.: What is your opinion on the Addis Ababa Grand Housing Program?

A.: This is a good initiative by the government in solving the housing problem in our city and as well as improving the living conditions.

Q.: What were the objectives according to your opinion & knowledge of Addis Ababa Grand Housing Program?

A.: The main objective of this program is to solve the housing problem by means of cost efficient construction there by reducing the total cost and providing as well as creating jobs.

Q.: Do you think the Grand Housing Program met its objectives?

A.: The objective in terms of solving the housing problem

is achieved. The main part of cost effective construction, which is the timely completion of the current on going projects is not yet met and this results in the increase of indirect and partly on the direct cost of the project.

Q.: What is your role in the Addis Ababa Grand Housing Program?

A.: Professionally I am Structural Engineer and involved in the quality control, structural design and overall monitoring of the projects.

Q.: How important is supervision & quality assurance for the Addis Ababa Grand Housing Program?

A.: It is very important as the main objective is in reducing the overall project cost and maintaining the quality, safety and lifetime of the project.

Q.: How can a professional supervision & quality assurance be organized, implemented/guaranteed?

A.: This can be organized by AAHDPO in association with the consultants in terms of creating awareness. Periodic site visits by the consultants and housing development office and a daily follow-up of the activities by the resident

engineer and the contractor is needed for its implementation. But it can only be guaranteed when there is responsibility, accountability and interest on the contractors side as detail checking of each and every activity may not be possible with the nature of the projects.

Q.: What kind of professionals are required for quality assurance?

A.: Architect & Engineers, building engineers and TVET graduates.

Q.: What training/capacity building/preparation do they require?

A.: Basic construction techniques and methods of checking the quality of materials and method of construction activity.

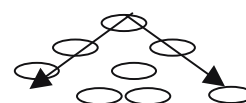
Q.: How can this training/capacity building/preparation be organized?

A.: This can be organized by creating a pyramid type of network (see fig. below).

Q.: How should quality assurance be organized and implemented in the future for the Great Ethiopian Housing Program?

A.: Through capacity building and experience sharing and by having pilot projects.

Architects & Engineer
Building engineer
TVET graduate
Forman Skilled laborers



pyramid type of network



picture taken at Aware site

By: Martha Yigezu

One may get perplexed and at the same time feel gloomy about the slums most Addis residents live in, where shanty houses semidetached with one another happened to line up forming a village of a sort shackled with multifaceted problems: poor sanitation, low public utilities, a densely populated settlement, ...bespeak for the miserable life residents of these localities live under the roof of these houses.



picture taken at Gulelle site

No wonder if people from these areas dream of a better world. And, indeed they seem to highly appreciate the government's effort to upgrade and renovate for a better living condition. This calls for a massive low cost housing program of the city government to at least sooth down the burden of *the poor*.



picture taken at Yerrer site

Impressions of informal and basic settlements



picture taken at Zewditu Hospital site



picture taken at Shola site



picture taken at Shola site

By: Michael Maiwald

In the following, examples of momentary living conditions in different parts of the city of Addis Ababa are shown. They illustrate the dwelling situation of a big part of the citizens, ranging from formal settlements, with more or less basic facilities, but at least provided with a minimum of infrastructure, and informal settlements in slum areas with practically nothing of that kind.

The photos were taken in Aware, Gulele, Arada near the Old Gebbi, Shola, Kolfe, Yerrer, Bel Air area, and near Zewditu Hospital. Whereas Zewditu area shows formal settlements, in part recently constructed, based on chikka material, but with basic infrastructure (electricity, water supply), the locations in Shola and Kolfe are lacking such facilities and give only provisional shelter to poor people.

Yerrer and Gulele areas are closer to rural environments, having more space, although also lacking basic infrastructure. Also here, some examples can only be considered as provisional and not suitable for long-term accommodation.

The Grand Housing Program envisages making better living conditions accessible for large parts of the city's population. By providing apartment spaces for lower and middle income families, basic housing facilities in the Keblles' can be made free to accommodate people from informal settlements at affordable conditions, thus also improving the living situation of poor people.

Promotion of Micro and Small Enterprises (MSE)



by Tadesse Mekuria

Back ground and justification

Acute shortage of housing being the key problem in the metropolitan Addis Ababa, other problems like unemployment and local development could be mentioned, among others.

The severity of shelter problem can be seen evidently when we refer to the size of backlog that reaches 300,000 on top of the 40 thousand housing units needed every year.

On the other side unemployment in the metropolitan, as a main problem, its prevailing affecting 42% of economically active residents.

This being the case, as the name 'Integrated Housing Development Project' justifies, unemployment as a main problem it could be alleviated being integrated with the undertaking of housing development to resolve the shortage of housing, which is a key problem.

To this effect the Housing Development Project Office /HDPO/ was established by the City Administration to shoulder the responsibility of implementing the Integrated Housing Development Project. And the mandate vested on the office can be summarized as follows.

Long – term objective

Is to improve the standard of living of citizens, especially low-income residents of the city, which are the majority, through the creation of employment opportunities and the provision of decent and affordable housing.

Immediate specific objectives

- a) Regenerating the slum areas of the inner city.
- b) Increasing the land delivery amount in the inner city as a process of densification and vertical growth,
- c) Promotion of micro and small enterprises, which can absorb more labor force and operate at a lower overhead cost,
- d) Promotion of cost efficient housing construction technology,
- e) Empowering citizens of the city through ownership of houses and tenure security,
- f) Changing the image of the city.

Accordingly, from the objectives indicated above, one can be aware of the due place given to the development of MSE in the integrated housing development project.

This leads further to the signifi-

cance of micro and small enterprises development which necessitates to go over the following main points;

Significance of micro and small enterprises development

- Laying ground for the strengthening of the country's construction industry through transfer of technology.
- Enabling MSE contribute in the mitigation of quality and cost problems which the country's construction industry is facing, through the process of improved occupational skill capacity building,
- Strengthening MSE, as the would be large scale construction companies, with technical skill and capital capacity, in the plan years i.e 5 years starting from 2004.

Project Goals

GOAL FOR FIVE YEARS :

Construction of 150 – 200 thousand housing units and developing up to 2000 enterprises along with the creation of 60 thousand job opportunities through building the capacity of constructing about 50,000 housing units every year.

GOAL FOR 2004/05 TO 2005/06:

Creation of 60,000 job opportunities in company with the development and strengthening of 1500 to 2000 MSE.

Micro and small enterprises development**SOURCE OF MSE :**

The size of the development of MSE could be taken as pull factor for the size of job opportunity creation. And the development of MSE, which needs to pass through certain steps, depends on the availability of manpower that could be categorized in three, with respect to their training acquisition:

- Formal
- Non-formal
- Informal

TRADES OF MSE PARTICIPATION

Construction Trades:

- Wall Construction
- Electrical Installation
- Sanitary Installation
- Finishing works

Production trades :

- Metal Works
- Wood Works
- HCB Production
- PB Production
- Aggregate Production

SMALL STRUCTURAL CONTRACTORS

This refers to contractors of level 6 in relation to their capital. MSE development, retaining the expected profile, needs to pass through certain steps that can be summarized as follows:

- Registration & Screening
- Trade Testing
- Orientation
- Enterprise Formation
- Registration as Enterprise
- Facilitation for Tools, Equipment through Micro lease/Micro Financing.
- Facilitation for production sites/ centers
- Training on the job
- Contract Agreement & Handing Over
- Supervision & Support
- Maintaining Standard
- Weekly Review & Share of Experience
- Information System.

TVET INTEGRATION WITH MSE DEVELOPMENT

There are three approaches made in use to integrate TVET with MSE development, so as to avail the necessary man power from the main source, i.e. the TVET training, with the necessary competency standard of:

- Quality
- Cost
- Time

APPROACHES OF TVET INTEGRATION WITH MSE DEVELOPMENT

- Harmonizing training curriculum standard with the expected construction occupational standard.
- Deployment of TVET trainees at construction sites for apprenticeship training.
- Training of TVET trainers at center of excellence and construction sites.

Thus far, the accomplishment in

relation to MSE development and deployment, as well as job opportunity creation, can be summarized as follows.

Accordingly more than 1,500 MSE have been prepared out of which more than 1000 are founded and deployed in the integrated housing development project. And the size of job opportunity created is found exceeding more than 52,000.

Creation of micro and small enterprises and role of contractors to job creation within the Addis Ababa Housing Development Program up to February 2006

No.	Sector	Organized as MSE and active	Number of jobs created* within the MSE and contractors
I	Activities on construction	187	3331
	Masonry work	42	898
	Electrical installation	86	1337
	Sanitary installation	46	650
	Finishing works	6	280
	Site works	7	166
II	Production of construction materials	824	17163
	Per- cast beam	144	2399
	Metal work products	238	3693
	Wood work products	88	2616
	Hollow Concrete Block	294	5535
	Gravel	60	2920
III	Contractors** in the sub- city		39120
Total		1011	59614

Note:

* Under the column of number of jobs created, the number of cooperatives' members is included

** Under contractors in the sub-city we understand the contractors who are participating in the construction and the number of jobs they created



Interview with a MSE



MSE "Tiret Lefire"

The "MSE Tiret Lefire" was interviewed by W/o Martha Yigezu from Addis Ababa Housing Development Project Office and Ato Berhanu Getaneh from GTZ Low-cost Housing Project,

april 5, 2006 at Gurara site

Q.: Would you please introduce your organization?

A.: We are a Cooperative, named "Tiret Lefire" (meaning Hard-working for Success). We have 15 members in the cooperative. My name is Ato Asrat Temesgen, Deputy Chairman of the Cooperative.

Q.: What kind of organizational structure does your enterprise have?

A.: As I mentioned it before, it is a cooperative with 15 members. There is a Chairman, Deputy Chairman, Secretary, Accountant, Cashier, Purchaser, Audit and Inspection Team. All are responsible to the general assembly, where all members are participating.

Q.: How is the composition of gender in your cooperative?

A.: There is one woman and 14 members are men.

Q.: What kind of business are you practicing and what kind of service are you delivering?

A.: We produce pre-cast beams, hollow concrete blocks (HCB), wood and metal products.

Q.: Since when are you practicing this business and who is the owner?

A.: We organized our selves in the Kebele to produce wood and metal products in November 2004.

Later the Arada Sub-city selected and organized us so that we produce pre-cast beams.

The owner of this cooperative is a member of the cooperatives.

Q.: To whom are you delivering your products/services?

A.: Mainly, we deliver our products

to Addis Ababa Housing Development Project Office. In some cases, we supply our products, like wood and metal products to our former clients.

Q.: Are you related to the Addis Ababa Grand Housing program?

A.: Yes, we are working with them. The Arada Sub-city branch of AAHDPO gave us three days training before we start producing pre-cast beams. Nowadays the office tries to solve our problems, which we face. They deliver us with cement and reinforcement bars.

Q.: How did you get your Plot and how big is it?

A.: We got the Plot from AAHDPO Arada branch. They facilitated us this plot in Yeka Sub-city by discussing with the respective organs. There was no such open available plot in Arada Sub-city.

It is 720 m² with full infrastructure. Until now, we do not pay for the plot, but it is in discussion that we will pay Birr 2.00/ m² per month.

Q.: How many people are you working with and what is their qualification?

A.: The cooperative members are 15. Six weeks from beginning of the production, where the business was very good, we had 45 employees. This time we have employed 8 laborers. The members of the cooperatives have different skills, but we employ only daily laborers.

Q.: How do you finance your busi-

ness?

A.: We got a credit from Addis Savings and Credit Association. The Arada Sub-city has facilitated for us the credit and is a guarantor for us. We took a credit of Birr 198,000.00.

Q.: How high is the interest rate and how long is the loan period?

A.: The interest rate is 10 % with 3 % service fee, which totally gives 13% interest rate. The loan period is 36 months with 4 months grace period.

Q.: How long took it to get the credit?

A.: It took around one month. That is of course with some support of the Sub-city. Without support of the Sub-city it would have taken longer.

Q.: After you took a credit of Birr 198,000.00, how did you start to use it?

A.: From the total amount we got, we deposited 20,000.00 in our account by the Addis Savings and Credit Association. From the rest of Birr 178,000.00, we paid Birr 58,000.00 to AAHDPO for purchasing of pre-cast beam production machine. The Addis Ababa Administration sold us 20 moulds, one mixer, one vibrator and one cart. We bought the moulds for Birr 20,000.00, which is ¼ of their price. Additionally we bought a hollow block production machine for Birr 8,500.00.

Q.: Are you paying back your credit?

A.: We are paying back our credit very well. We will try to pay back before the loan period is over.

Q.: How is the business in this sector?

A.: The business is very good. Especially at the beginning it was very good. We could produce more and our products were delivered quickly. We produced pre-cast beams and our profit was between Birr 2,000.00 and 3,000.00 per day.

Nowadays we stopped to produce pre-cast beams and produce only hollow concrete blocks (HCB). Due to a limited area, we have a low demand for HCB, our profit does not exceed this time more than Birr 400.00 per day.

Q.: What are your perspectives for your future? Will you continue this business?

A.: We like to continue and run this business in the future. Our preparation at the beginning was to continue this business for at least 5 years. But now we do not know whether the construction of condominium houses will continue or not. Some times we produce a limited amount of HCB to deliver to the AAHDPO.

Q.: What kind of alternatives do you see for the situation you mentioned?

A.: We shall not be dependant from the AAHDPO, we shall have a possibility to have contact to the big contractors so

that we can offer our products to them. The Project Office could organize an Exhibition where the MSE could present their products to the contractors.



Addis Ababa
City Government



MWUD

How to plan and implement integrated urban housing programs



How to plan and implement cost-efficient, integrated urban housing programs



Ruth Erlbeck



Ralph Trosse

by Ruth Erlbeck and Ralph Trosse

Steps to follow:

I. Planning phase:

NEEDS ASSESSMENT

- **A**ssess & quantify housing deficit.
- **A**ssess financial capabilities of target- groups in need of housing.
- **A**ssess Government's policies & priorities.
- **A**ssess international commitments.
- **A**ssess capacity of the construction sector.

FINANCIAL SETTING

- **A**ssess financial possibilities/ budgets of different stakeholders (Municipality, Regional State, Federal Government, beneficiaries, national & international credit lines, donors, NGO, CBO).
- **I**dentify budgets & credit lines to be used including guarantees.
- **M**ake banks and MFI aware of

business opportunities in the context of housing finance.

- **F**acilitate housing loans for lower income groups through the banks (in this case the banks requirements/standards for construction should be considered within the design and BOQ).
- **M**ake available initial (pre-) financing from capital budget of the Government or the respective Municipality or Regional Government to initiate housing programs, create employment & promote the construction sector¹. This is in particular relevant in order to achieve the five years' Plan for Accelerated and Sustained Development to End Poverty" (PASDEP)/2006-2010 and the Millennium Development Goals (MDGs) the Ethiopian Government has committed herself to.

Note: Only with a strong commitment by the Government,

integrated housing programs for poorer income groups will be successful.

ORGANIZATIONAL SET-UP

- **E**stablish Project Office (or Housing Enterprise) as independent apparatus outside of civil service structure.
- **T**he Project structure should allow attractive salaries to be paid and stronger flexibility in regard to decision making process.
- **E**laborate organizational structure on the basis of lean and flat organizational orientation.
- **S**eparate between planning & implementation tasks (department wise).
- **D**efine job-descriptions.
- **R**ecruit personnel.
- **M**ake use of outsourcing in order to be able to react flexible to varying work load, professional requirement and budget.
- **T**rain personnel and create corporate identity.

- **F**ormulate and seek approval of Project Structure & tasks by Proclamation Act.
- **E**quip offices with furniture, PC, Printers, Plotters and quality IT software².

PLOT IDENTIFICATION

- **C**onsult existing master plan (structure plan) and local development plans.
- **I**f necessary readjust urban plans on the basis of town planning principles of vertical growth, densification, mixed usage, socio-economically mixed settlement schemes, open spaces including green areas and communal facilities within attractive neighborhoods.
- **I**dentify plots for housing schemes.
- **S**tart with inner city /in-fill areas in order to economize on the costs for basic infrastructure provision and to avoid urban sprawl.
- **P**lots should not be too sloppy, they should be accessible throughout the year, they should not be far out of the city, water and electricity should be in reach.
- **S**et corner stones before surveying.
- **S**et reference point on plot.

DESIGN PROCESS

- **N**eighbourhood and architectural design competitions can precede the elaboration of workshop and detailed drawings; to provoke innovative & creative ideas in a cost-efficient manner. If the instrument is used, the following steps should be followed:.

- **P**repare documents for competition (TORs, etc.).
- **S**elect jury for evaluation and award.
- **E**laborate evaluation criteria.
- **P**repare and hand-over awards.
- **C**onduct digital surveying of plots including digital survey of fringe of adjacent neighborhoods/surrounding urban pattern.
- **E**laborate attractive neighbourhood designs (IT supported, on the PC) with a certain degree of densification, nevertheless with green areas, communal facilities, semi private and semi public open spaces, public toilets, commercial facilities, waste disposal, street furniture and renewable energy devices.
- **E**laborate architectural designs (housing typologies & communal facilities) or adjust existing housing typologies to respective location (IT supported, on the PC).
- **C**onduct soil testing on the basis of the neighbourhood design.
- **T**he structural engineer should determine the places, the depth and the width of the test pits are to be dug.
- **E**laborate structural design on the basis of surveying data, neighbourhood plan, architectural design and soil test results (IT supported, on the PC).
- **A**adjust architectural design to structural requirements if necessary (IT supported, on the PC).
- **E**laborate water supply, sanitary & electrical design for

housing typologies (IT supported, on the PC).

- **E**laborate water supply, waste water drainage, electrical & road design including surface drainage design for neighbourhood (IT supported).
- **I**nclude street furniture and waste disposal sites in neighbourhood designs (IT supported).
- **I**f the sanitary & electrical designs for the housing typologies have already been designed, it is not necessary to design them once more; the sanitary and electrical neighbourhood design has to be done newly for each site)/ IT supported.

FINISHING STANDARD

- **I**n apartment building construction the finishing standard should be as complete as possible in order to avoid molestation within the neighbourhood through beneficiaries additional finishing work.
- **T**he buildings should be plastered (2 coats) and rendered (1 coat) outside and plastered inside (2 coats) before hand-over (it has to be considered in the specification & the priced bill of quantities).
- **I**f the housing scheme is financed through the bank, their requirements in regard to finishing standards should be considered.

ONE SIZE DOES NOT FIT ALL

- **I**t is important to remember, that "One size does not fit all".
- **D**ifferent designs should be introduced for different socio-

economic, socio-cultural, more urban & less urban, different climatical, geographical locations and building material availability.

- However, in order to save costs and time, a certain standardization and modularization is required.
- Nevertheless, at each location the availability of local building materials will be analyzed to determine the most economically feasible and technically sound solution.

COST CALCULATION

- Analyze availability of building materials, also (alternative) building materials having their source at site or at specific location.
- Collect prices for labour & building materials at location, the surrounding area and in Addis Ababa and respective transport costs.
- Elaborate detailed cost calculation (see list with different items) IT supported (excel sheets) on the basis of actual prices for building materials, transport costs and labour.
- Prepare price index (consider finishing standard for apartment buildings that include inside plastering (2 coats) and outside plastering (2 coats) and rendering (1 coat)).
- If the construction is financed by the banks, their standards have to be considered.

BUILDING PERMIT

- Construction should not be started without valid building permits.
- Two building permits are

required:

- One for the neighbourhood design.
- One for the building typologies (architectural & structural).
- Therefore, drawings (neighbourhood plan, architectural & structural design) should be submitted to the Municipality to obtain building permit (several copies are required, best to prepare at least ten copies each³ in order to be stamped).
- If banks give loans for construction, they will require the approved drawings, the cost calculation and the title deeds.

PREPARATION OF BUILDING MATERIAL PRODUCTION.

- Select items to be produced (pre-cast beams, HCB Blocks, etc.) according to BOQ.
- Elaborate specifications for building materials and respective machinery, hand tools, etc.
- Select/create/prepare MSE for building material production.
- Facilitate plots, credits & training for MSE.
- Facilitate registering & licensing (business permit, etc.).
- Organize quality control & supervision.
- Check implementation of quality control & supervision.
- Start production of building materials ahead of time.
- Prepare building material production sites (HCB & pre-cast beam production).
- Install water and electricity supply with respective meters.

II. Construction phase.

BASIC INFRASTRUCTURE

- Organize and supervise implementation of basic infrastructure provision in neighbourhood on the basis of respective designs (elaborated by consultants).
- It is recommendable that the basic infrastructure (roads, water supply lines, waste water drainage, electricity lines) is installed before hand, i.e. before the construction of the buildings starts. That reduces the costs and avoids delays and damage. However, the roads have to be done first. Thereafter, the water supply lines, waste water drainage & electricity lines are to be laid on both sides of the road beneath the earth under the surface drainage.
- Control quality and appropriateness of basic infrastructure installation, in particular of water supply lines, because the installation is often done in a careless manner.
- Take care that waste water drainage system is also installed in time (normally the respective water authority is not able to install the waste water drainage system; normally a contractor has to be tendered to implement the waste water drainage system. However, it is difficult to find contractors with the specific skills).
- The bank does not release the final payment unless the basic infrastructure is installed according to their requirements.
- Separate individual meters for electricity and water supply

are required; however, the meters are not always available (should be ordered ahead of time).

ORGANIZATIONAL CONSTRUCTION CONSIDERATIONS

- **D**ecide on construction management & process (general contractor versus specialized sub-contractors).
- **I**t is recommended to promote a diversification of the construction process with specialized sub-contractors and MSE in order to improve the quality, establish mutual control & supervision, promote job generation & reduce overhead costs. However more coordination is required by the implementing Agency in this case/model.
- **O**nly the structure is built by bigger contractors.
- **O**ther tasks are divided into trades and contracted out to MSE (sanitary, electrical, roofing, walling, ceramic tile laying, cement screed, bar bending, etc.).

ENVIRONMENTAL CONSIDERATIONS

- **I**nsist on environmentally-friendly approach by not using wooden formwork and not using wooden scaffolding.

PREPARATION FOR CONSTRUCTION

- **O**rganize subdivision of plots and access & internal roads including surface drainage on the basis of neighbourhood plans containing also the basic infrastructure (lines)
- **I**nstall temporary water &

electricity supply with meters on construction site.

- **P**repare tender documents for selection of contractors, insisting on environmentally-friendly approach by not using wooden formwork and not using wooden scaffolding (to be included in tender documents as TORs).
- **F**loat tender.
- **S**elect contractors.
- **N**egotiate with contractors.
- **P**repare and sign contract documents.
- **R**equest time schedule from contractors.
- **A**pprove time schedule of contractors.
- **C**ontrol implementation of time schedule.
- **H**and-over of site (with surveyor, site layout).
- **P**repare & float to contractors tender for site supervision, prepare TORs.
- **S**elect consulting office for site supervision.
- **E**mploy Project Manager and other staff required.

CONSTRUCTION PROCESS

- **C**ontrol agreed upon reporting.
- **O**rganize regular meetings on site to discuss progress, problems and time schedule.
- **I**mplement continuous cost monitoring and evaluation.
- **I**nforn project manager on costs status (planned versus actual situation).
- **C**ontrol and if necessary adjust time schedule.
- **I**mplement continuous supervision and quality control of construction and building materials produced.

HAND-OVER

- **H**and-over site according to schedule.
- **T**he hand-over includes a provisional hand-over and a final hand-over after one year.
- **D**o not forget retention fees for different works to be carried out.
- **H**owever, after the beneficiaries have moved in (normally after the provisional hand-over), it is difficult to distinguish responsibilities at the final hand-over in case of damage.

Note: You can only run a construction site in an economic manner if you run it through without stop and go, i.e. without down & up scaling throughout the construction. The shorter the construction period is, the lower the overhead costs will be.

MSE (Micro & Small Enterprise) promotion.

- **T**he construction sector offers a large variety of trades for MSE to be created or to specialize in becoming professional service providers such as:
- **S**anitary installation.
- **E**lectrical installation.
- **H**ollow concrete block production.
- **P**re-fabricated beams production.
- **C**eramic tile laying.
- **B**ar bending.
- **M**etal doors & windows.
- **W**ooden doors & windows.
- **S**tair case assembling and installation.

- **R**oofing.
- **N**atural stone crashing.
- **N**atural stone pavement laying (courtyards, parking lots, roads).
- **R**unning crushing plants for gravel.
- **C**arpentry.
- **F**urniture.
- **W**aste water drainage systems.
- **S**urface drainage.
- **M**antling & dismantling/exchange of dry toilettes.
- **P**roducing dry toilettes and containers (from ECOSAN toilettes).
- **D**ischarging of the containers (from ECOSAN toilettes).
- **S**elling fertilizer (urine) and soil conditioner (dried faeces) to agriculture.
- **S**lum upgrading.
- **R**estoration of cultural heritage.
- **T**he enterprises require support for their creation, professionalization, consolidation, diversification, and extension. They need advisory service in regard to identification of (new) markets (niches), elaboration of new projects (ideas), preparation of business plans, submission of documents to the financing institutions (including facilitation), new technologies to be introduced, training-on-the-job (in particular if they intend to introduce new technologies), monitoring and evaluation.
- **A** large proportion of TVET graduates will create their own MSE or enter into expanding ones.
- **R**ules & regulations for the creation or diversification

of enterprises (business license, registration, etc.), for plot lease for workshops etc. should be conducive to encourage their development.

- **R**espective flexible financial services through MFI should be made available to allow MSE to prosper according to the market requirements.
- **T**he accessibility to existing MFI should be improved to allow a variety of different clients with different credit needs to apply.
- **T**he Chambers and Associations representing the construction sector should be further strengthened allowing also MSE to participate and find support for their specific problems as MSE.

TRAINING-ON-THE-JOB (INFORMAL SHORT-TERM SKILLS UPGRADING TRAINING)

- **A** hands-on approach is required to improve technical vocational education and training making it more practical adjusted to the labour market needs.
- **C**onstruction sites offer an ideal training ground for training in the real world of work for TVET students and trainers.
- **A**ll the trades required in construction including specializations can be found on construction sites such as:
 - Masonry work.
 - Reinforcement/Concrete/ Formwork.
 - Ceramic floor & wall tiling.
 - Electrical Installation.
 - Sanitation (Plumbing).
 - Mortar & gypsum plastering.

- Road & sewer construction.
- Scaffolding.
- Painting.
- Carpentry.
- Further target-groups for practical training-on-the-job are:
 - Consultants.
 - Contractors.
 - Students of architecture, urban planning & engineering.
 - Construction site manager.
 - Foremen.
 - Semi- and skilled workers.
 - MSE.

BENEFICIARIES' ORGANIZATION.

- **T**he beneficiaries have to be determined during the construction process or even before, in order to have them selected and organized before they move in. Moreover, they have to make financial arrangements with their credit association, bank or MFI in order to make the down payment and sign a credit contract.
- **D**efine criteria for beneficiaries' selection.
- **O**rganize selection of beneficiaries.
- **O**rganize financial set-up (facilitation of credits etc.).
- **O**rganize issuing of title deeds to beneficiaries.

Note: Beneficiaries, even if subsidized in cases of very poor income groups, should always have to make a substantial contribution of their own in order to obtain decent shelter. In case it is a pure donation, ownership and responsibility

does not develop. It promotes hence a careless handling of the shelter.

Note: A new urban living form is introduced which people have to become acquainted with gradually. Awareness creation, training and PR is required to make the new living form & standard attractive, acceptable, successful & sustainable. If no special attention is given to neighbourhood management the new housing settlements could easily transform themselves into slums.

NEIGHBOURHOOD MANAGEMENT

- **P**repare regulations for beneficiaries' organization such as condominium law on regional level.
- **R**espective rules & regulations on where should the Association register, what documents are required, financial retention fees etc. have to be prepared.
- **O**rganize awareness creation and training on living in apartment buildings (condominiums).
- **T**rain beneficiaries in strengthening their self-help capabilities, responsibility and ownership spirit.
- **I**ntroduce IT software program on life cycle costs of buildings for maintenance & repair services.
- **S**elect & train companies to manage neighborhoods including life cycle cost management.
- **T**rain selected beneficiaries committees in exercising their

duties.

- **E**mploy social workers to support beneficiaries committees and neighbourhood management companies in implementing their tasks professionally and to the beneficiaries and local authorities' satisfaction.
- **I**ntroduce mechanisms to improve services of utilities in case of damage of water supply lines and electrical lines.
- **E**laborate clear contracts to be signed between the beneficiary as purchaser and the Authority as selling Agency of the apartment.
- **C**learly define:
 - what the selling price includes and what it excludes.
 - the responsibilities of the dweller.
 - the retention fee for repair & maintenance works.
 - the obligation to participate in the owner's association.
 - the obligation to consult the Kebele administration before making construction amendments inside and outside of the apartment.
 - how to use, maintain & repair the communal facilities, green areas, communal corridors & staircases etc.

Note: A new urban living form is introduced which people have to become acquainted with gradually. Awareness creation, training and PR is required to make the new living form & standard attractive, acceptable, successful & sustainable. If no special attention is given to neighbourhood management the new housing settle-

ments could easily transform themselves into slums.

MANAGEMENT OF COMMERCIAL FACILITIES.

- **D**efine rules & regulations on selling & usage of commercial facilities.
- **F**ormulate conducive and unbureaucratic selling procedures.
- **C**learly define:
 - what the selling price includes and what it excludes.
 - the responsibilities of the dweller.
 - the retention fee for repair & maintenance works.
 - the obligation to participate in the owner's association.
 - the obligation to consult the Kebele administration before making construction amendments inside and outside of the apartment.
 - how to use maintain & repair the commercial facilities, green areas, communal corridors & staircases etc.

CAPACITY BUILDING / M & E

- **O**rganize unit for monitoring & evaluation of the whole planning & implementation process.
- **A**nalyze weaknesses and strengths.
- **E**laborate documentation on "lessons learnt" and "best practices".
- **O**rganize repeated experience sharing between Regions and urban centres of Ethiopia and with other countries planning to implement housing schemes.
- **C**ontinuously actualize data

on “lessons learnt” and “best practices”.

BUILDING MATERIALS AND HUMAN RESOURCES AVAILABILITY

- **T**he construction industry is not ready/prepared for bigger housing & infrastructure programs; neither are enough building materials available nor trained manpower.
- **T**aking into consideration the magnitude of the program, building materials and human resources shortages are natural to occur.
- **A**s a consequence, prices for building materials as well as for skilled manpower are on the rise.
- **T**he scarcity in particular arises in regard to reinforcement bars, cement, sand (in certain seasons) and gravel.
- **W**ith respective planning and precautionary measures such as bulk purchase ahead of time the situation can be eased.
- **B**ulk purchase is strongly recommended in order to reduce costs and have the materials available when required. That implies to make plans ahead of time to have storage facilities which are not too far away from the sites and which are accessible also during the rainy season.
- Note:** Cement should not be stored in a humid environment because it easily hardens.
- **T**he quality of the building materials has to be checked continuously to maintain the required quality.
- **A**s reinforcement bars are

imported, it is recommended to import bigger quantities but with good quality. The quality has to be checked by certified institutes/laboratories before it is shipped.⁴.

- **T**rucks of sand or other materials should be checked in regard to the required quality by the Project Manager in presence of the Consultant before the material is dumped on the site.
- **F**or a continuous hollow concrete block (HCB) production the machinery, the moulds and the building materials should be available and maintained.
- **T**he mixing rate for HCB has to be determined according to the quality and availability of the building materials. The structural engineer or a respective laboratory will decide on the mixing rate after some tests.
- Note:** HCB have a curing time of a minimum of 16 days (recommended are 26 days). As a huge quantity of HCB is required, the production of HCB should start well ahead of the construction.
- **T**he production of the pre-cast beams for the slab system also has to start ahead of time as the same curing period refers to them.
- **P**re-cast beams can be produced in bigger or smaller enterprises. They can also be produced on site with a vibration table. The essential point is to have the respective moulds and to weld properly (point welding).
- **C**areful transport and storing

of HCB and pre-cast beams is essential in order to reduce damage and hence costs.

They have to be handled with care during loading and unloading and they should be stored adequately and tidy.

- **T**he HCB Machines have to be ordered ahead of time in order to start with the HCB production in time. They can be imported or produced locally.
- **M**SE can enter into the production of HCB and pre-cast beams on site or at other locations accessible by trucks also during the rainy season, however under a strict quality control. In particular the pre-cast beams need a strict quality control, as being part of the slab system; they are a structural element of the construction.
- **F**or gravel MSE can be established at quarry sites with the respective equipment in order to increase gravel production. The distance & accessibility during the rainy season also have to be considered while selecting the quarry sites.

ROLE OF MUNICIPALITIES;.

Decentralized approach;

- **T**he Municipalities have a central role to play in providing the plots, issuing the building permit for the neighbourhood plan and the housing typologies on the basis of existing urban plans (master plan & local development plan) and building regulations & organizing the provision of basic infrastructure.

- **T**he Municipality also has to register the plans and issue the title deeds (plot certificates) on the basis of cadastre registration. Only on the basis of title deeds will the beneficiaries be able to obtain credits from the bank.
 - **T**he organization of the provision of basic infrastructure can be done with the help of additional organizational structures to be established (for example Addis Ababa Housing Development Project Office/ AAHDPO or Southern Housing Development & Administration Enterprise/HDAE) if a bigger housing development program is to be implemented.
 - **I**n bigger cities such as Addis Ababa, it is recommendable not only to decentralize the decision making process on the general administrative level of the city but also to decentralize the structures of Housing Project Offices or Enterprises established. This strongly supports the client orientation, the client/administration proximity and the improvement of services to the client. It results in a higher client satisfaction and an improved responsiveness and responsibility of the administration.
- **I**f at all mortgage financing is available for lower income groups via traditional housing finance banking it is directed at civil servants and persons with a fixed employment -although at the low end of the wage scale- yet they are part of the formal sector.
 - **T**arget-groups whose income flow is variable and uncertain have now chance in mortgage banking in developing countries.
 - **B**ank credit lines to the end user should not be subsidized (indirect subsidy), as it distorts the market and the most needy are not necessarily reached.
 - **T**he high liquidity of Ethiopian Banks should be used for the financing of housing programs, in particular for the middle and low income classes with a fixed employment in the civil service as well as in the private sector.
- **T**he problem of micro credit lending is not the interest rate⁵ but the necessity of a quick access to the credit the moment it is required to purchase raw material because of a commission the MSE has to immediately react to.
 - **M**FI are encouraged to enter into housing finance if they have sufficient liquidity. However, their capital will be hence bound for a longer period.
 - **T**here is not much experience available world wide on MFI going into housing finance.
 - **H**ousing finance by MFI should be individual lending, not group lending.
 - **H**ousing finance of MFI should be on the basis of separate credit lines, i.e. a stand alone housing micro finance service (separate financial product), it should not be mixed with micro credit lending.
 - **C**redits for housing finance are consumer loans, increasing the risk for the MFI (apart from binding their capital for a longer period of time).
 - **M**FI however, know their clients well from micro lending – they can easily assess their financial performance which reduces the risk and the transaction costs, also in case of housing loans.

ROLE OF MICRO FINANCE INSTITUTES (MFI)

- **T**he MFI play a special role in promoting MSE by giving them micro credits in an un-bureaucratic way.
- **H**owever, they should not decapitalize in the process. The credits have to be paid back in the time agreed upon.
- **T**he interest rate should be the interest rate covering the costs of the MFI including their overhead & profit.
- **S**ubsidized credits distort the market, decapitalize the MFI and hence are not supportive to MSE promotion in the long

ROLE OF BANKS

- **T**raditional mortgage finance via the banks deals with housing loans between 15- 30 years for middle up to high income people; mortgage finance is typically available only for a small sliver of all housing transactions.

CREDIT GUARANTEES

- **T**he plot & the house or the housing unit (apartment also) are the best collateral highly appreciated by Banks and MFI.
- **R**real property (estate) also

forms the basis of a healthy financial system, both internationally and within the countries.⁶ The lack of assets backed by housing has highly negative consequences for the development of the financial system.⁷

- **P**ayroll deduction, practised in South Africa and Ethiopia within the “traditional” mortgage banking system, is a viable option for civil servants and clients with a fixed income.
- **T**he “co-guarantor” is a good practice in order to broaden the possibilities of poor clients to obtain a loan (“guarantee mix”). It has proven to work very well in different Latin American Countries, in particular in Nicaragua. The co-guarantor takes over part of the risk/ guarantee of the borrower. Additional coverage can/should be given through other collaterals.

ROLE OF CONTRACTORS

- **T**he contractors have to erect the buildings according to the BOQ and the contract signed on the basis of the general contract conditions.
- **T**hey are supervised by a consultant on site. The consultant has the say and also decides in regard to the release of payments.
- **N**ormally a bigger contractor is responsible for the structure (because of 10 years of warranty for the structure), the rest of the tasks can be implemented by smaller contractors and MSE.
- **T**he division of tasks to different contractors according

to specializations reduces costs, improves the quality and creates employment. The coordination efforts of the Implementing Agency however increase.

- **A**part from the structure of the buildings (10 years warranty), there is a retention period & fee of one year for other building parts, materials and services provided.

ROLE OF CONSULTANTS

- **T**he consultants have the tasks to do the designs (neighbourhood, architectural, structural, sanitary, electrical, road design) and the cost calculation (priced BOQ) on the basis of terms of reference & contracts concluded by the Implementing Agency & the consultant.
- **U**rban design or architectural competitions can precede the workshop and detailed drawings in order to collect innovative ideas in a cost-efficient way.
- **T**he designing process should be outsourced as far as possible (i.e. contract consultants).
- **T**he designing refers to neighbourhood, architectural, structural, electrical and sanitary. Electrical and sanitary designs have to be done for the housing typologies as well as for the neighbourhood.
- **R**oad designs including surface drainage have to be part of the neighbourhood designs including specifications (priced BOQ).
- **C**ost calculations should also be done (priced BOQ) by the

Consultant – however, they should be checked by the Implementing Agency.

- **A** consultant should also be in charge of the supervision of the construction process.

THE TRIANGLE (CONSULTANT/ CONTRACTOR/OWNER).

- **T**he triangle of consultant (supervisor), contractor and implementing Agency/owner should always be maintained throughout any construction.
- **I**n this triangle, the Consultant has the say. This reflects the General Contract Conditions on the basis of FIDIC⁸, the basis for contractual arrangements in construction in Ethiopia.
- **P**ayments are only released if approved by the Consultant.

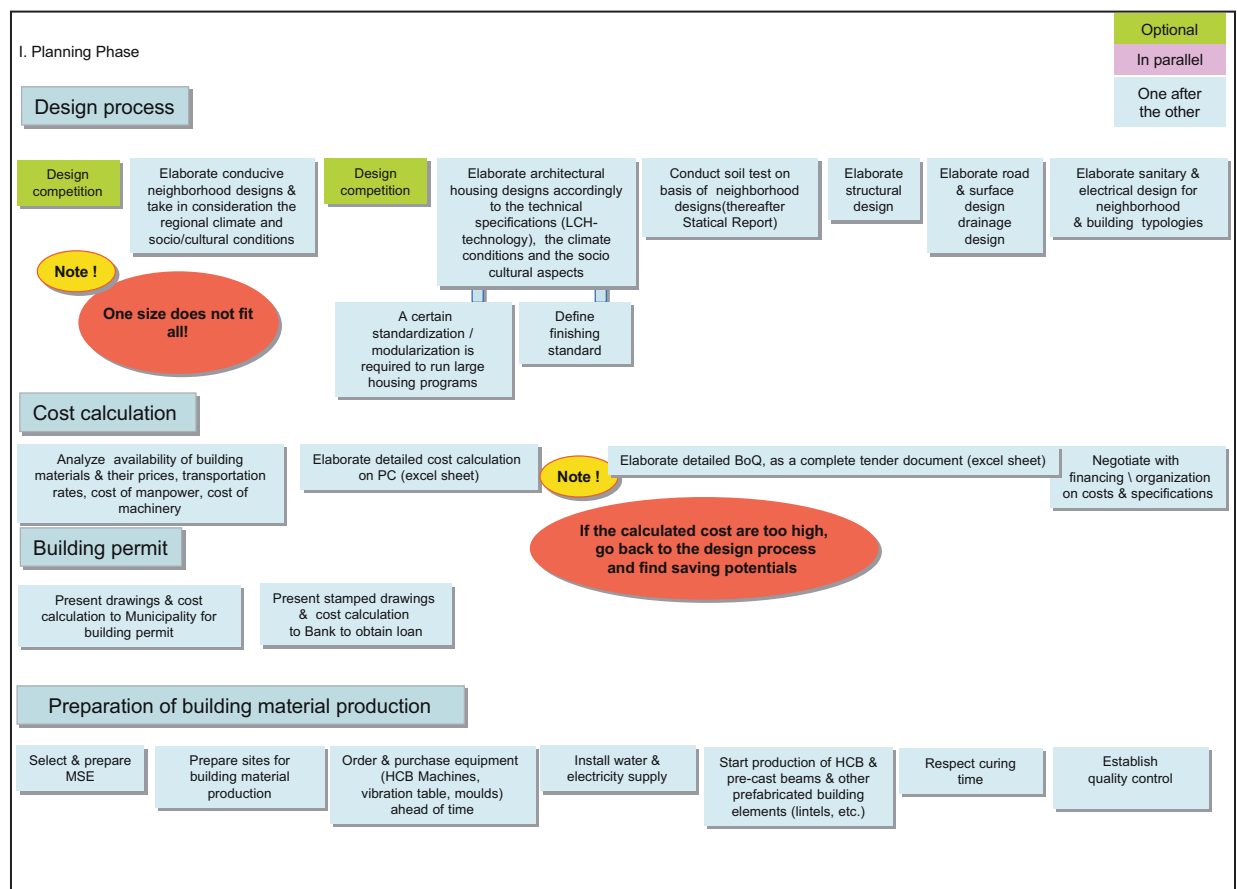
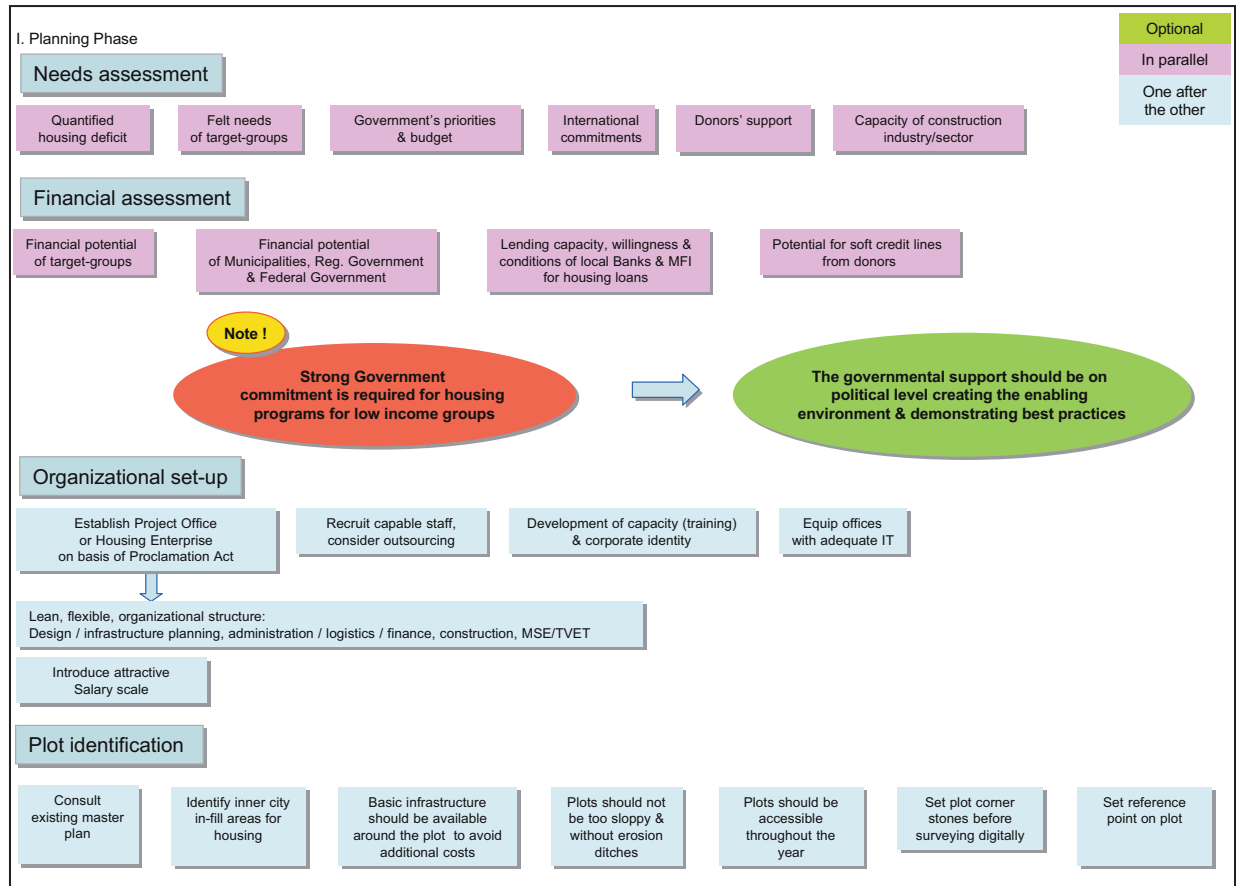
CONCLUSION

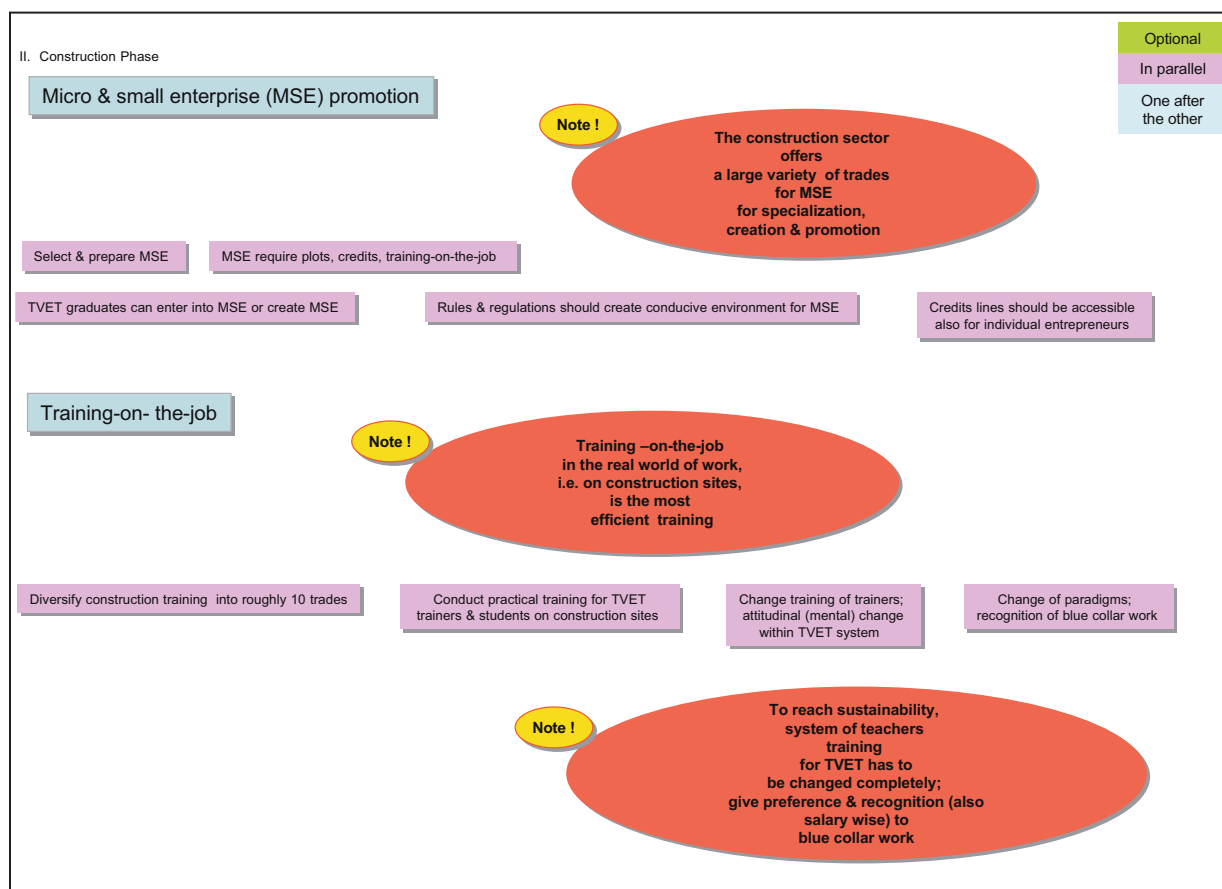
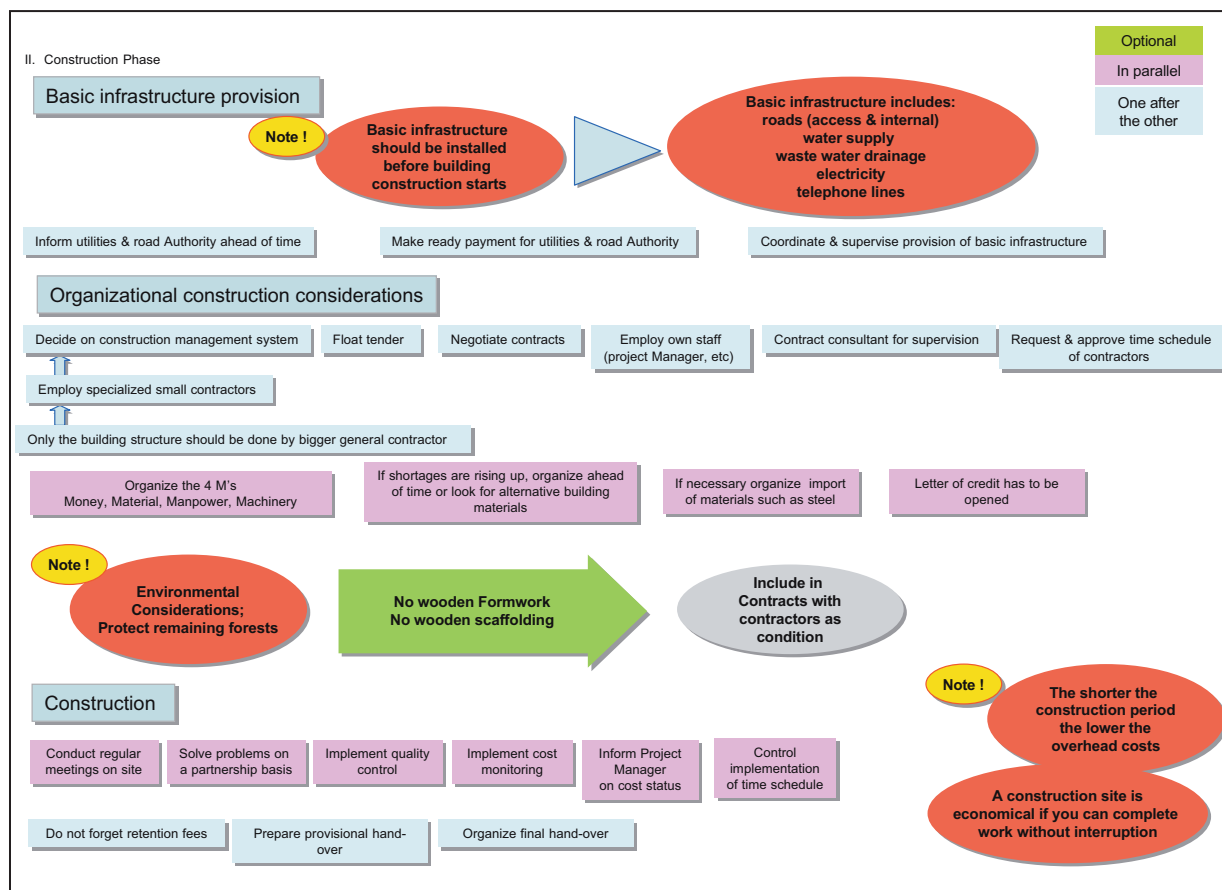
- **T**he Ethiopian Grand Housing Program is a courageous, unusual and appropriate approach.
- **T**he Ethiopian integrated cost-efficient housing development approach provides a sustainable solution for lower income groups preventing the creation of new slums, creating ownership and promoting the building of middle classes and household wealth. Real property also forms the basis of a healthy financial system⁹.

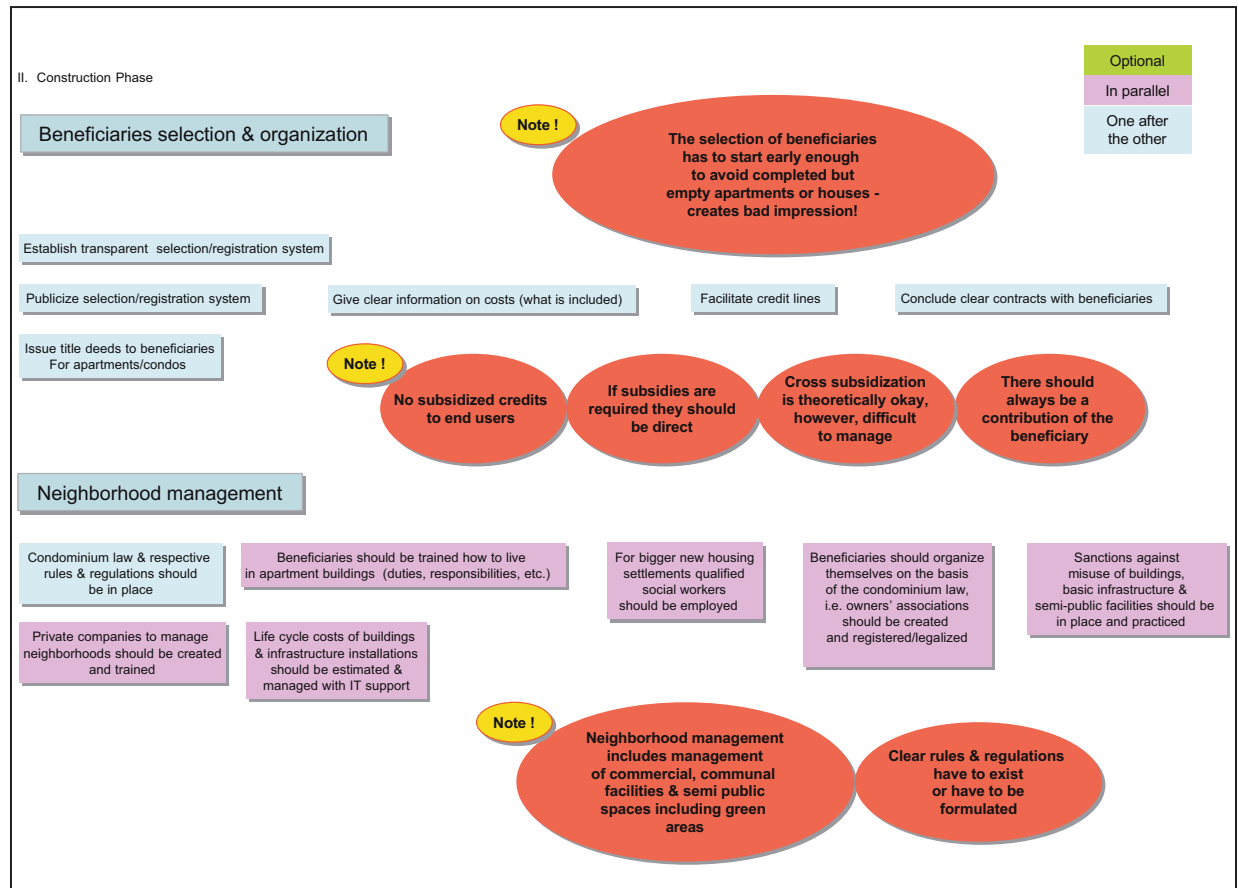
Notes:

- ¹ The housing industry usually accounts for 15-20% of the GDP in developed countries, a sector that catalyzes economic expansion or maintains an economy out of recession, see "Housing Microfinance: A guide to Practice", 2004, USA, p. 24.
- ² IT Programs are a strategic weapon. With appropriate IT software programs one can economize on staff to be employed.
- ³ Approved drawings are required by the implementing Agency, the Consultant, the contractors, the Municipality, the Project Manager and the Bank in case the Bank is financing the buildings.
- ⁴ There is a huge shortage of reinforcement bars world wide which will continue for the next years to come as China is purchasing the reinforcement bars for its dams and in particular for construction purposes in preparation of the Olympic Games in 2008.
- ⁵ At least not in Countries with a low, hardly fluctuating inflation and hence interest rate.
- ⁶ In the U.S. mortgage loans represent about a third of all assets held by financial institutions. Mortgages on owner-occupied homes have proved the soundest, most secure private debts with correspondingly low risk weighting, see "Housing Microfinance: A guide to Practice", 2004, USA, p. 29.
- ⁷ The lack of assets backed by housing has highly negative consequences for the development of the financial system.
- ⁸ FIDIC: International Federation of Consulting Engineers (the acronym stands for the French version of the name)

Graphics on how to plan and implement integrated urban housing programs







Managing the 4M's

In order to run construction sites effectively and cost- efficient, one has to manage the 4 M's:

- Manpower
- Machinery
- Money
- Materials.

The construction industry is the only industry that has seen a consistent decline in productivity over the past 40 years.¹ Besides agriculture, there is no other industry that has done a worse job in applying software to improve productivity.

IT has to be introduced as a strategic weapon to take costs out of projects.

The 4 M's should be managed by IT programs in order to have the manpower, the machinery, the money and the materials in place the moment they are required.

Notes

¹ U.S. Department of Commerce, Bureau of Labor Statistics, 2005

Managing the 4 M's



Housing in the framework of urban development

Housing is the heart of urban development. Housing programs lead to better cities with reduced criminality, increased taxes, more investment and satisfied, empowered citizens.

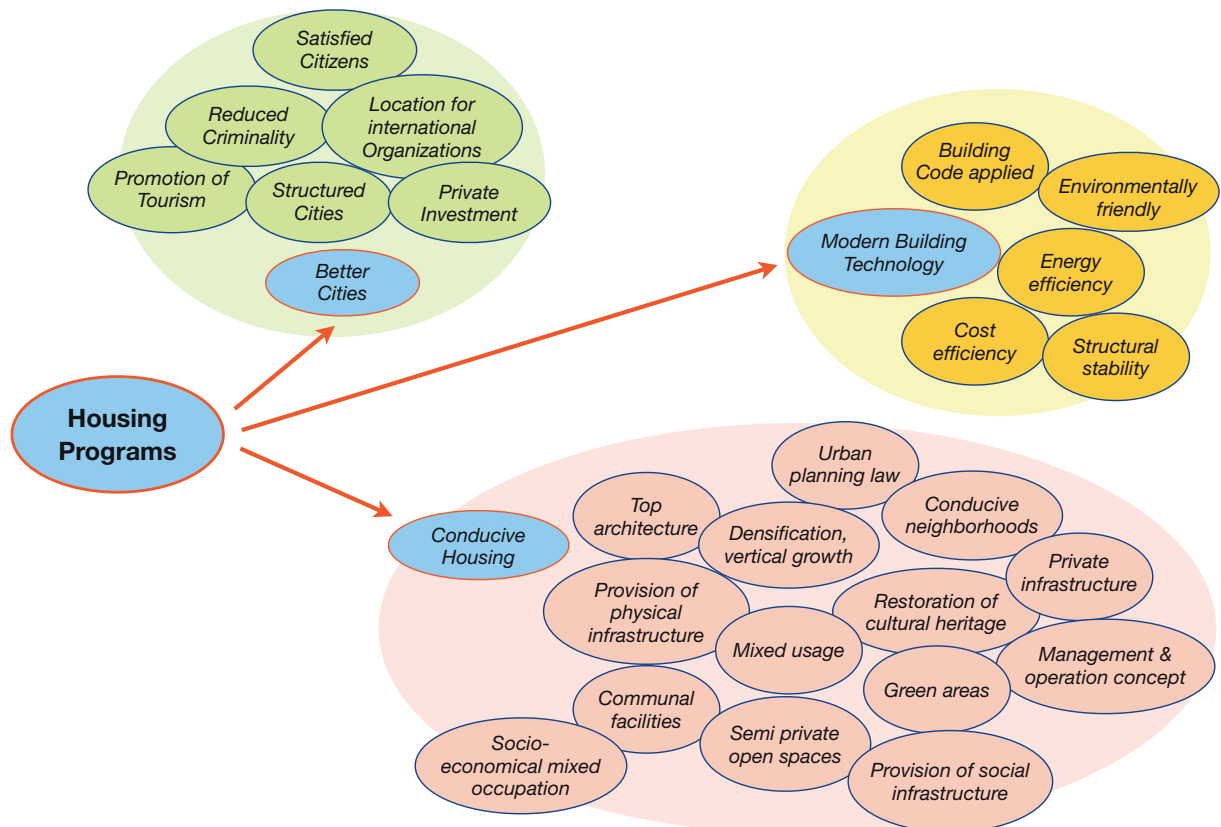
Housing programs also promote the development of environmentally friendly and cost-efficient technologies raising the need and

consciousness towards building & planning laws, codes and standards to be introduced.

The provision of large scale housing should focus on conducive housing within conducive neighborhoods on the basis of existing urban structure plans. Densification & vertical growth is mainstreaming with mixed usage,

mixed socio-economic settlements, green areas, provision of basic infrastructure and communal facilities as well as semi private open spaces with top but cost-efficient architecture.

Housing in the framework of urban development



Economical & social impact of housing

Housing programs promote the local economy, boost and diversify the construction sector, and lead to better cities.

Through housing programs and the respective boosting of the economy in particular of the construction sector, but also its forward & backward linkages, more taxes and fees can be earned by

the cities creating wealthy cities.

Cities hence become the motor of economic development, also for their hinterland.

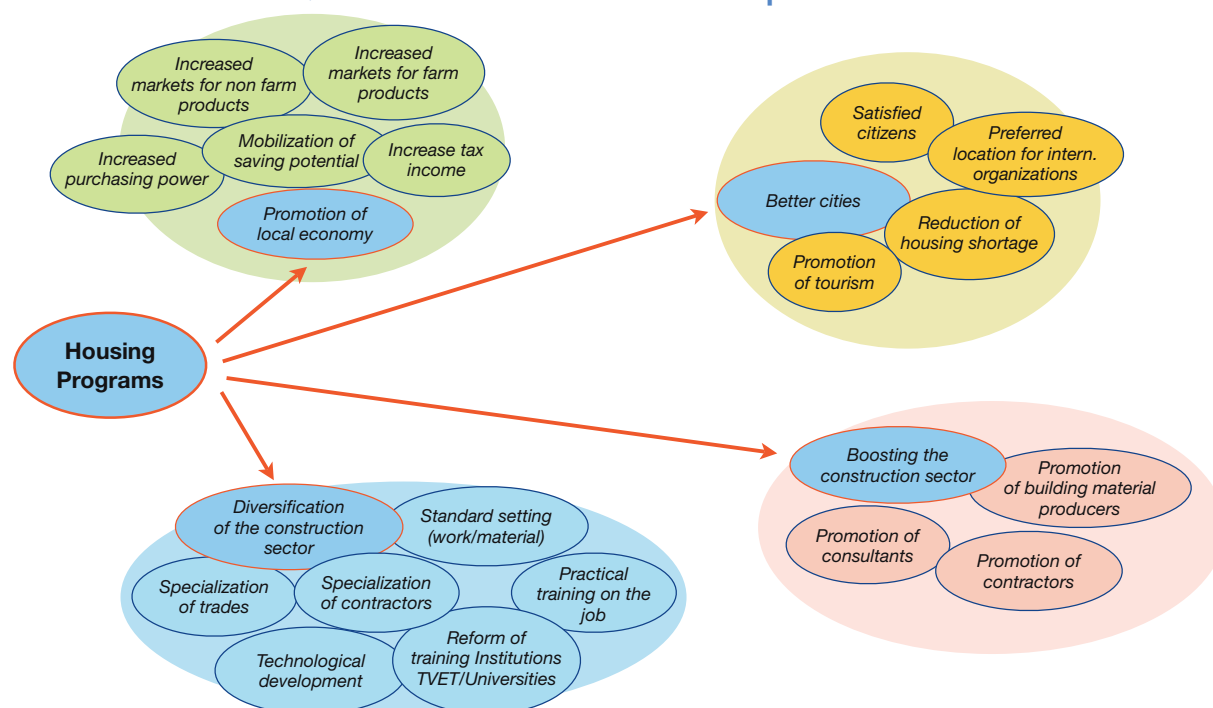
Boosting and diversification of the construction sectors promotes practical oriented technical vocational education and training, as construction sites provide “training

in the real world of work”. Moreover, technological development is enhanced improving the competitiveness of the contractors & consultants.

Wealthy & structured cities with efficient urban services attract tourists and investors.

Economical & social impact of Housing

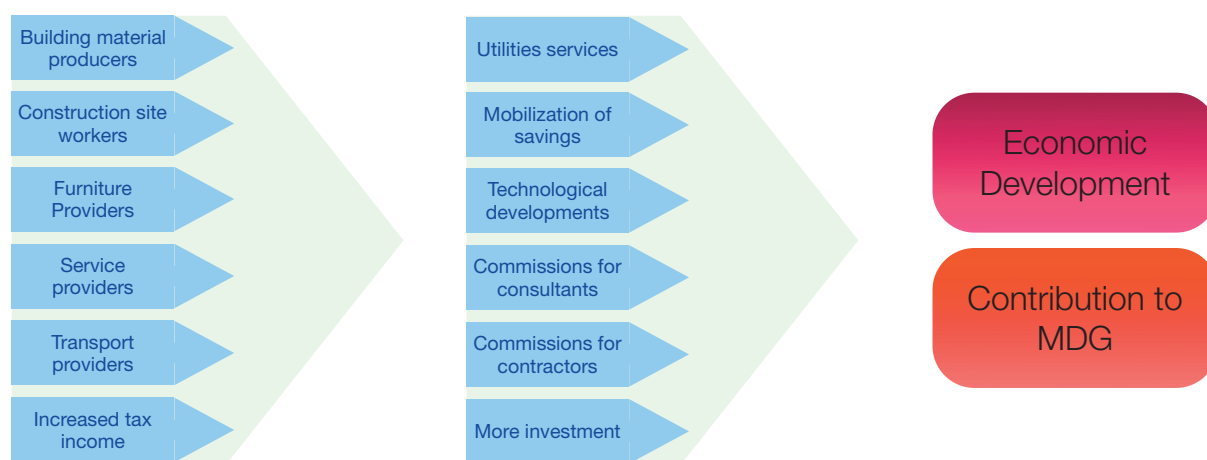
Cities create wealth, cities are the motor of development also for their hinterland



The value chain clearly shows the complexity of sectors and sub sectors being involved in massive housing programs and gives an impression of the economic development initiated by integrated housing programs. Housing programs are a motor for economic development and wealth creation for low and middle income groups. Through their improved economic

situation and the growth of micro & small enterprises the amount of taxes and fees increases supporting the public budgets. Through increased public budgets the urban services to the dwellers and investors can be improved.

Value Chain Housing



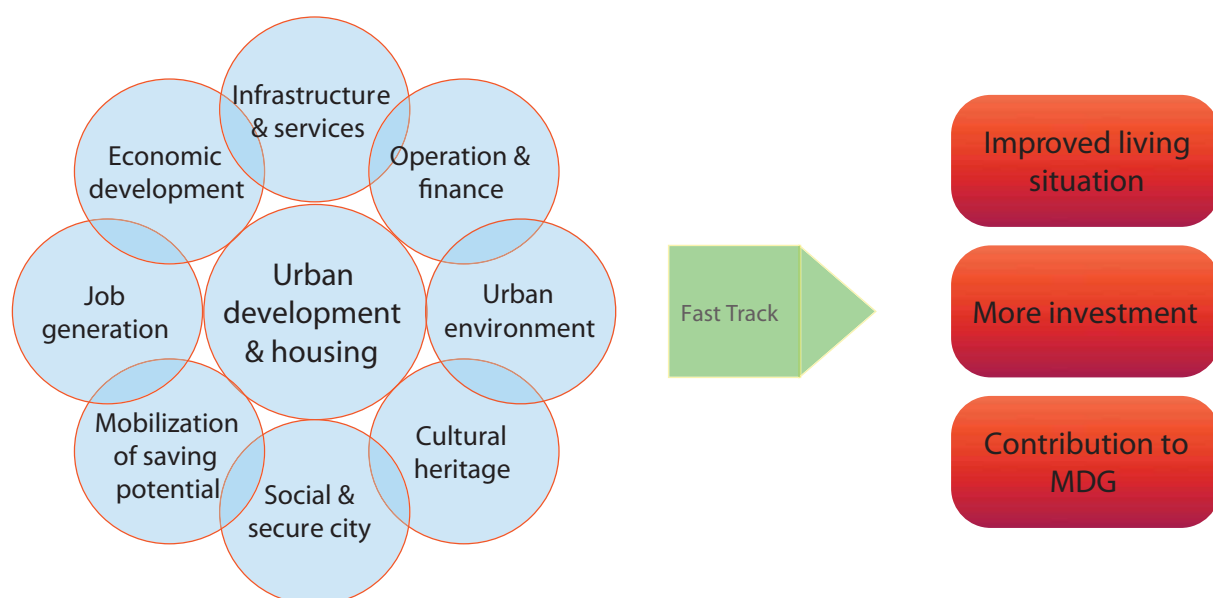
Urban development planning & housing

The Chart shows the “hook” between housing in the framework of urban development and an improved living situation, more investment and economic development.

Housing programs are the “fast track” to reach the MDG by creating jobs, mobilizing saving potential and promoting economic development.

The Chart also reveals the importance of a combined, integrated effort in regard to urban development by focusing on new housing construction but not neglecting the promotion of cultural heritage, basic infrastructure provision creating a conducive urban environment and secure and human cities.

Urban Development Planning & Housing



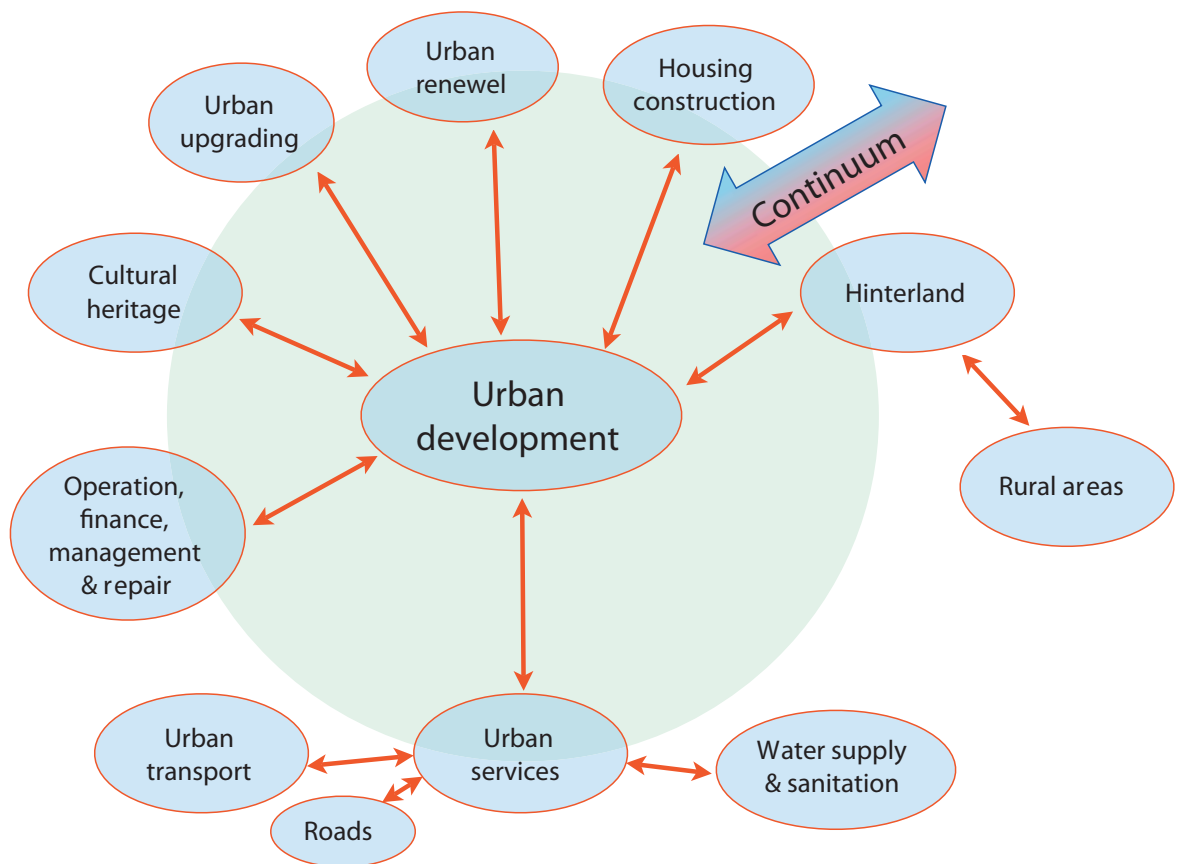
The Chart demonstrates the different facets of urban development to be considered in order to reach integrated urban development. Housing construction should be complementary to urban renewal, upgrading, cultural heritage promotion, urban transport as well as the provision of roads, water supply and sewage, electricity and waste disposal.

The Chart moreover shows that there is no clear border line between urban and rural, i.e. between the City and the adjacent territory. On the contrary, it is a “continuum” leading from the outskirts of the City to the “hinterland” and gradually to the rural areas. The city and its “hinterland” need each other; they mutually depend on one another in regard to deliv-

ery of products (value chain), provision of jobs, transport and the overall exchange.

Cities create wealth; they are the motor of development, also for their “hinterland”.

Linkages, networking



Drivers for change

Massive integrated urban housing development programs require “Change Agents” or “Drivers for Change” in order to plan & implement successful programs and reach the ambitious targets formulated. In particular, a committed leadership is required. This leadership has to focus on the customers, create product teams, focus on quality assurance, solve

problems and motivate the people to participate in the endeavor enhancing ownership and responsibility among all stakeholders.

Drivers for Change



HIV/AIDS Mainstreaming plays a prominent role in the construction sector known to be a high risk sector because of the mobility construction work requires. Laborers, foremen and construction site managers are away from home for long periods of time and young males & females of lower income groups with limited education work closely together on construction sites. It is therefore of utmost importance to strategically plan and implement HIV/AIDS prevention activities from the beginning onward.

Theater in form of “dramas” (HIV/AIDS awareness creation) performed by Ethiopian NGOs on construction sites are a good instrument to create awareness in regard to HIV/AIDS prevention, care & mitigation.

The GTZ/LCH has organized different theater events on construction sites in Addis Ababa which have provoked a high degree of interest and demand for more “theaters/dramas” to be performed on construction sites. The dramas performed were of interest not only for the construction staff but also for the surrounding neighborhood which actively participated in each of the events.

The schedule for the dramas was normally from 5.00 p.m. to 6.00 p.m. when the construction activities were coming to an end. The dramas take up to one hour with vivid, interactive discussions in between. The dramas performed relate to common events happening on construction sites between males & females or thereafter, es-

pecially after salaries have been paid.

A common problem seems to be that the female storekeepers are being approached by male construction workers in a provocative manner in order to convince them to have sex. This was one topic played and thereafter discussed by the stakeholders. Interestingly enough, young male and female construction workers felt rather free to discuss their problems seeking for solutions & support from the theater group.

Gender aspects quite naturally enter into these action-oriented and interactive dramas and become a complementary topic, however, linked to HIV/AIDS, as females are more vulnerable in regard to HIV/AIDS infection.

Another interesting aspect is that within these target-groups there is still a big lack of information in regard to HIV/AIDS prevention, care & mitigation. The events offer a good possibility to raise the questions and doubts they have in regard to HIV/AIDS and find respective answers. It also contributes to de-mystify the disease and to learn to confront it in a practical manner from a factual point of view offering a forum for discussion & experience sharing.

At the end of each session on site the theater group talks about VCT (volunteer counseling & testing) and strongly recommends to undergo VCT.

It is recommended to implement this kind of “theater” on construc-

tion sites in order to create respective awareness and give the workers the possibility to inform themselves in a more comprehensive and practical manner without prejudices, moral reproaches, etc.

Moreover, the information deficit in regard to HIV/AIDS does not only refer to construction workers. It is much more widespread among the staff on construction sites and is of great interest for all of them. This holds true even more so on construction sites outside of Addis Ababa, the capital of Ethiopia.

The Great Ethiopian Housing Program should therefore consider activities in regard to HIV/AIDS Mainstreaming on future construction sites.





Exemplary “best practice” planning



The Addis Ababa Integrated Housing Development Program

four months plan (10 march - 7 july 2004)

The Addis Ababa Integrated Housing Development Program four months plan (10 march - 7 july 2004) Exemplary “best practice” planning

The Addis Ababa Integrated Housing Development Program is a good example (“best practice”) on how to plan an integrated housing program considering all essential aspects from the organizational structures up to logistics and purchase.

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I. Background

One of the key problems of the city of Addis Ababa is shortage of housing. Currently there is a shortage of about 300,000 houses. Moreover the quality of the currently available houses is very low. To solve this housing problem of the city, it is essential to create conditions that enable the construction of houses in the existing parts of the city and in expansion areas. The Provisional City Government of Addis Ababa has therefore designed an integrated housing development program that aims at significantly improving the quality and quantity of accommodations available to the residents of the city.

Another problem of the city concerns the fact that a larger part of the city consists of decaying and slum areas. It is estimated that 150,000 of the houses under the city administration are situated in the slum areas. About 80% of these houses are made of wood and are on average 40-50 years old. Any serious endeavour to solve the housing problems of the city should therefore consider the redevelopment and upgrading of the decaying houses under the City's Kebele Administrations and the renewal of the slum areas.

The integrated housing development program also considers the very high unemployment problem (42%) and widespread prevalence of the informal sector in the city. In addition, the program recognizes the potential role of the construction industry in creating employment opportunities and inducing the development of micro and small enterprises. The integrated housing development program is therefore designed such that it would create large employment opportunities, promote the development of small and micro enterprises and thereby also increase income. Apparently as income of the wider public increases, the potential for renting and in the long-term buying the newly constructed houses is also enhanced.

The task of significantly solving the housing problem of the city requires a significant amount of financial resource. Thus it is essential that the housing development program get priority in the allocation of budget from the treasury. However it would also be very essential to ascertain that the project utilizes land in such a way that it minimizes costs of providing infrastructure services and that it does not cost a lot to the city government in terms of lease revenue forgone.

Currently low-cost building technology is not widely applied in the construction industry in the country. So long as housing construction cost remains very high, it becomes difficult to create a situation where the wider public would be able to rent or buy these houses. Thus it is essential to construct affordable houses using cost-saving building technologies. The currently available industrial technology does not allow the construction of low-cost houses, and hence it is important to involve as many micro and small-scale enterprises as possible in the program so as to promote low-cost technologies. Moreover it is important to develop a housing technology that requires lower level of skill and that can be implemented extensively in a short period of time.

Most of the city residents are public sector employees with the majority of them living below the poverty line, while only a few are engaged in business activities. The housing development program should be designed such that it improves the income of the city residents and thereby reduces poverty. By improving the income of the residents, it creates a capacity where the citizens would be able to rent the houses and in the long-term buy them. Increasing income and reducing poverty also implies creating an environment for the better maintenance and upkeep of the newly built houses. In this way, the integrated housing development program is expected to bring basic changes in wealth creation and redistribution in the city.

The integrated housing development program is designed by considering all these prevailing conditions, the city's master plan, the residents economic capacity, and in a way that strengthens the construction industry and creates

large employment opportunities.

II. Objectives, Goals and Constraints

1. Objectives

- 1.1 Step by step solve the deteriorating accommodation problem in the city and improve the city residents' living standard.
- 1.2 Renew and upgrade the slum areas and decaying parts of the city.
- 1.3 Reduce unemployment problems and improve income of the residents based on the government's housing development program; in particular expand micro and small enterprises in metal and woodwork sectors with a view of expanding employment and improving income.
- 1.4 Strengthen the construction industry and improve the vocational training systems.
- 1.5 Ensure fair wealth creation and distribution by constructing houses for low-income households and ensuring tenure security.

2. Five Years Goals (2004-2008)

- 2.1 Build the city government's construction capacity and construct on average 50,000 houses per year and a total of 150,000-200,000 houses over the next five years:
 - a) 2003/04 12,000 houses (most of which are expected to be transferred to 2004/05)
 - b) 2004/05 20-30,000 houses
 - c) 2005/06 40-50,000 houses
 - d) 2006/07 50,000 houses
 - e) 2007/08 50,000 houses
- 2.2 Reduce slum and decaying areas of the city by 50% by utilizing such areas for housing development, socio-economic services, and by leasing them for commercial uses.
- 2.3 Create up to 60,000 employment opportunities and thereby also improve income, as well as expand the development of up to 2000 micro and small enterprises.
- 2.4 Radically change the current training systems in the construction industry, ensure the fulfilment of minimum

construction standards, develop and widely utilise low-cost construction technologies.

- 2.5 Mobilise and prepare 5 billion Birr required for the housing construction project and 1 billion Birr for infrastructure development and compensations.
- 2.6 Prepare and develop 1,200 hectare of land required for the housing development and related local development works.
- 2.7 Build institutional capacity that is able to execute the construction of 50,000 houses per year.
- 2.8 Enable low-income residents to become house owners and thereby ensure fair distribution of income and create conducive environment for development.

3. Four Months Goals

To achieve the aforementioned objectives and goals, the goals for the next four months are set as follows. These goals basically aim to accomplish the tasks set for 2003/04 and to execute the preparatory works necessary for next budget year (2004/05).

Goal 1: Commence the construction of the 12,000 houses planned for 2003/04

- 1.1 Finish most of the construction works of the Gerji site model houses and complete the remaining works until 5 September 2004.
- 1.2 Expedite the construction of the houses in the ten sites, accomplish 50% of their construction works and create a situation where they could be completed until 10 October 2004.
- 1.3 Complete the foundation works of the 10,000 houses, create a favorable condition for the continuation of the construction work over the winter and the completion of the construction work in April 2005.

Goal 2: Create job opportunities for up to 10,000 persons, and identify and enable micro and small-scale enterprises to participate in the housing development projects.

- 2.1 Involve sub-contractors in the production of construction materials and support them through providing training.
- 2.2 Involve sub-contractors in construction works (structural works, electrical works, etc) and support them through training.
- 2.3 Establish conducive environment for the furnishing of micro and small enterprises with the necessary equipment, working place and financial resources.
- 2.4 Prepare working manuals and blue prints and enable to utilise them.

Goal 3: Prepare land and accomplish related land preparation works required for the construction of 30,000 houses in 2004/05.

- 3.1 Identify, prepare and develop 1.2 million m² land required for the construction of the 30,000 houses next budget year.
- 3.2 Complete the neighborhood plan, soil testing and surveying works for 10,000 houses.
- 3.3 Begin the design works of all the 30,000 houses, complete the design works for a third of the houses and complete the design works for the remaining two-third houses by 5 September 2004.

Goal 4: Complete a third of the urban development design work

- 4.1 Complete a third of the urban renewal works.
- 4.2 Complete two-third of the urban upgrading works.

Goal 5: Create institutional capacity for the construction of 30,000 houses.

- 5.1 Organise a housing development project office, furnish it with the required manpower, equipment and facilities, prepare manuals and orient other concerned bodies for its proper implementation, and provide extensive training to enable the office to effectively discharge its responsibility and become strong and capable institution in a short period of time.
- 5.2 Ensure that all the parties involved in this key task have acquired similar consensus and that they are operating in a highly organized manner.
- 5.3 Recruit and train 100 site engineers and 200 construction foremen who will have a key role in the housing development project, and make adequate preparation in order to recruit and train additional 100 site engineers over the coming winter.

Goal 6: Make preparation to provide adequate logistics required for the houses to be constructed in 2003/04 and 2004/05.

- 6.1 Prepare construction inputs adequate for 3000 (particularly sand, gravel & metal).
- 6.2 Create / prepare the capacity to produce more than 300,000,000 bricks required for annual consumption.
- 6.3 Prepare the capacity to produce 600,000 pre-cast beams.
- 6.4 Upgrade the production capacity, productivity and production quality of the public enterprises involved in the supply of inputs and logistics for the housing development project.
- 6.5 Prepare adequate depots and warehouses for the various construction inputs.
- 6.6 Prepare adequate number of small and micro enterprise for participation in the construction works.

- 6.7 Establish and implement procurement system that helps minimise costs and control wastes.

Goal 7: Allocate the necessary budget to the housing development project and raise the money from land lease.

- 7.1 Prepare and allocate 100 million Birr needed until 7 July 2004.
- 7.2 Ensure that at least half a billion Birr budget is allocated for the project for 2004/05 budget year.
- 7.3 Prepare 500 hectare (5 million m²) for lease so as to raise the money required for the integrated housing project.

Goal 8: Ensure the wider application of the technology, cost minimisation and that minimum quality standards are met.

- 8.1 Introduce quality control and supervision activities in all spheres of works.
- 8.2 Prepare design works that help minimise construction costs and prepare improved design works.
- 8.3 Prepare manuals for low-cost technologies, prepare working manuals for site engineers and orient them about the manuals.

4. Constraints

The large-scale and rapid implementation of the housing development program could face the following constraints, and hence the housing development plan would accord special attention to circumventing such problem:

- a) Shortage of skilled labour and particularly shortage of qualified and capable site engineers and foremen.
- b) In light of the extensive size of the project and the rapid speed at which it is planned to accomplish the project, we could encounter quality problems.
- c) Shortage of information in land preparation, problems associated with the development of infrastructure particularly water and sewerage, and electricity.
- d) Shortages of gravel and bricks, world price increase of metal and metallic products, weaknesses in controlling wastage.
- e) Limited capacity of executing urban design, neighbourhood design and building design in a short period of time.
- f) Lack of experience in and cultural problems associated with living in condominium houses and having negative attitude towards such.
- g) The many stakeholders involved in the project may not all exhibit the same level of urgency towards the

project, and limited co-ordination capacity of such large size of stakeholders.

- h) The existence of a large number of people in absolute poverty with no capability or ability to benefit from the housing development program.

The measures and precautions to be undertaken to circumvent the constraints are discussed in the subsequent chapters.

III. Urban Planning, Land Preparation and Design Works

1. Urban Planning Activities

1.1 General

The preparation of urban development plan has three phases:

- A) Urban Renewal: refers to the study and development of decaying areas and slums which are in extremely worse situations and which have no vacant or unutilized spaces. The development of such areas involves radically changing the areas and entails the development of new infrastructure services. The areas included in this work are:
- 1) Arada Sub-City
 - 2) Addis Ketema Sub-City
 - 3) Kirkos Sub-City
 - 4) Lideta Sub-City
 - 5) Yeka Sub-City (partly)
- B) Urban Upgrading: this covers all Sub-Cities including those not covered by the urban renewal work. Urban upgrading involves the study of the areas with a view of upgrading them without radically transforming the existing position of the areas. The study will be conducted under the name of Kebele Eco-city study.
- C) Until the above preparatory works are completed, residence neighbourhood plans will be prepared for the vacant plots available in the various Sub-Cities. This enables to integrate the housing development plan with the city plan and make the neighbourhood habitable. It is very important to make sure that new decaying and slums are not expanding while thousands of new houses are being constructed.

1.2. Urban Renewal Study

Urban renewal study involves physical planning, and socio-economic information gathering about the areas. The study will be conducted in two phases by eight teams. The eight teams will consist of a total of 40 experts drawn from different disciplines: town planners or architects 8, sociologist or geographers 8, economists 8 and data collectors 16.

These experts will be employed with the City Government's Planning and Research Commission on contract basis. Each team will cover an area of 50 hectares. The city's Planning and Research Commission, Addis Ababa University and Brunswick (Braunschweig) Technical University from Germany will participate in the study. The study will be

conducted in two phases.

First Phase

- a) Addis Ababa University will conduct the urban renewal study in Lideta Sub-City, Sengatera area.
- b) Brunswick (Braunschweig) Technical University from Germany will conduct the study in Arada Sub-City, Arat-Kilo and Piazza area.
- c) Planning and Research Commission will conduct the study in Kirkos Sub-City, Addis Ketema City (particularly in Merkato area) and Yeka Sub-City (particularly in Aware area).
The studies conducted in the first phases will mainly emphasis on areas with very high level of slums and decay. The primary objectives of the first phase studies will be identifying and preparing land for the construction of 50,000 residential houses. Each residential house is estimated to require on average an area of 40 m² of land and hence a total of 200 hectares will be required for the construction of 50,000 residential houses. In addition 200 hectares land will be required for the construction of commercial centres, infrastructure and social services in the neighbourhood of the residential houses. Thus a total of 400 hectare of land is required. After identifying and preparing the first 400 hectare of land, the study teams will further conduct similar studies in the same Sub-cities covering 400 hectares for the identification and preparation of land for additional 50,000 residential houses. The study by the Planning and Research Commission will involve eight teams. The first round study is estimated to take a month for preparation, three months for the main study work and will be completed on 6 August 2004. The second round study is expected to be completed on 9 November 2004.

Second Phase

The second phase of the urban renewal study covers slum areas in Addis Ketema, Lideta and Arada Sub-Cities that are not included in the first phase. The second phase study will be conducted following the completion of the first phase and is expected to be completed in March 2005.

The urban renewal study will identify and prepare land for the construction of a total of 100-150,000 houses, and will produce urban development plans.

1.3 Urban Upgrading Activities

- A) The undergoing model eco-city study on selected 10 Kebeles (one Kebele from each Sub-City) will be completed in March 2004. The study was undertaken by 10 teams and took 3-4 months. The study will serve as a basis for the urban development plan.
- B) In a second round eco-city study, it is planned to cover a total of 30 Kebeles (3 Kebeles from each Sub-City). This study will be completed in two months ending 8 May 2004).
- C) A third round eco-city study will cover a total of 30 Kebeles and will be completed on 7 July 2004.
- D) A final round eco-city study will be conducted over the winter for the remaining Kebeles. Thus there will then be a complete urban upgrading study for all areas to be covered under the urban upgrading program.

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- E) Areas that are not covered in these studies will be covered in the urban renewal study. Moreover a model eco-city study will be conducted on expansion areas. In addition a model eco-city study will be conducted on one Kebele inhabited by economically better off citizens (e.g. Bole), another eco-city study on a model Kebele in areas where there are many housing associations (Gerji and Lafto areas). These activities are expected to be completed up to 5 September 2004.

	Type of Study	Land Area	Time Schedule	Executing Body
1. Urban Renewal				
1.1 Phase 1				
Part 1	50,000 houses	400 hectares	March– 6 August	AA University
Part 2	up to 50,000 houses	400 hectares	August– 9 November	Brunswick University
1.2 Phase 2		400 hectares	November–8 Feb.	Planning Commission
2. Urban Upgrading (Eco-city)				
2.1 2nd round	30 Kebeles (eco-city)		March- 8 May	City Manager's Office
2.2 3rd round	30 Kebeles (eco-city)		May – 7 July	City Manager's Office
2.3 4th round	Remaining Kebeles		July – 5 September	City Manager's Office
2.4 Two model Kebeles	For Bole, Gerji & Lafto		Up to 5 September	City Manager's Office
3. Neighbourhood plan				
3.1 10,000 houses (17 sites)	Neighbourhood plan	400,000 m ²	19 March – 8 April	Planning Commission, Housing Project
3.2 25,000 houses	Neighbourhood plan	1,000,000 m ²	April 2004	„ „

2. Land Preparation

- 2.1 **Goal:** Prepare 400,000 m² land for the construction of 10,000 houses in 2003/04 and 1.2 million m² land for the construction of 30,000 houses in 2004/05.
- 2.2 Most of the land to be prepared for the construction of houses will mainly be around the slum areas. Unless new houses are prepared in advance for relocating the residents from such slum areas, it will be impossible to demolish the slums for housing development. This task of demolishing decaying houses and moving residents from slums to newly built houses so as to prepare the areas for development will be conducted into phases. First, emphasis will be given to the selection of areas with vacant plots and/or with smaller number of houses. Currently the construction, site selection and site preparation of 1000 houses in ten sites is already undergoing in Gerji area. Moreover
- 300,000 m² land sufficient for the construction of 10,000 houses is prepared in 20 sites.
 - 600,000 m² land sufficient for the construction of 15,000 houses will be prepared in March 2004.

- c) 600,000 m² land sufficient for the construction of 15,000 houses will be prepared between 9 April and 8 May 2004.
- d) Further identification preparation of land for development will be conducted in decaying and slum areas and in areas where there are only few residential houses. But it is essential to ensure that such land preparations are done based on accurate studies.

2.3 Tasks

2.3.1 All the land to be prepared for housing constructions shall be primarily in existing (old) residential areas and semi-old residential areas. The area of each house is estimated to be 40 m².

2.3.2 Main Activities in Land Preparation

- a) Identify sites, ensure whether the ownership situations allow land use in accordance with the city plan, and then put corner stones on the sites.
- b) Estimate and pay compensations for tenants and house owners in the areas selected for development, or alternatively provide them houses in exchange.
- c) Clear the area from unnecessarily built infrastructure, adjust others and develop new ones in the area.
- d) Demolition buildings in the area so as to ready it for new construction.
- e) Issue plot certificate to the areas prepared
- f) Conduct soil testing, surveying and create favorable condition for design works
- g) Ensure the supply of electricity and water as well as road accesses to the areas for the construction works.

2.4 Executing Bodies

2.4.1 The Housing Construction Project will co-ordinate the overall work.

2.4.2 The Land Administration Authority will be responsible for examining and issuing plot certificates.

2.4.3 Land Development Agency is responsible for land preparation, compensation affairs, and relocation of residents.

2.4.4 MHE/GTZ LCH will be in charge of the soil test and surveying works.

2.4.5 The identification of land, data collection and investigation, and convincing residents about their relocation will be the task of Sub-City and Kebele Administrations.

2.4.6 The Housing Agency will conduct studies and collect plot certificates.

2.4.7 The various bodies in charge of supplying infrastructure service will also be involved in the project.

3. Design Works

3.1 Goal

Prepare on time housing designs that are consistent with the city plan and are cost saving.

3.2 Designing Principles

The following principles will be pursued in the preparation of the design works:

- 3.2.1 Adoption of mixed settlements, creation of settlements that have both residential houses and commercial centres, as well as establishment of community settlements where residents with different income levels live together.
- 3.2.2 Establishment of settlements that have adequate community facilities particularly communal cooking space, stores, slaughtering places and washing space.
- 3.2.3 Intensive use of the land and densification.
- 3.2.4 Minimisation of construction cost and material utilisation.
- 3.2.5 Pursue pre-cast and prefabricated modular to achieve faster construction.
- 3.2.6 Follow mechanisms that minimise wastage of natural resources particularly forest resources.
- 3.2.7 Investigate and adopt mechanism that enable extensive use of domestic products, and that are widely available at lower prices.
- 3.2.8 Integrate the housing development program with the city environmental development.

4. Limited Designing Capacity

One of the constraints facing the integrated housing development project concerns shortage of highly skilled design experts who are familiar with the recent design technology and who can execute the design works at a lower cost. The following measures will be pursued to tackle this problem:

- a) The Planning and Policy Research Commission will prepare the neighbourhood plan, not less than 10 new architects will be recruited and trained, and individual experts (Fasil, Zeleke and Daniel) who have extensive experience in the field will be consulted and made to give support to the project.
- b) The other design works will be accomplished by MHE/GTZ LCH, which also be made to recruit additional experts.
- c) With respect to the sanitary design work, which is facing higher problem, the new graduates from university (Arba Minch Water Technology Institute) will be trained and supported and eventually deployed in sanitary design works.
- d) Identify and adopt softwares that enable to execute the design works more effectively, and train experts thereof with the software.

5. Tasks

- 5.1 The following are the activities to be conducted in design works:
- Soil testing
 - Surveying
 - Preparation of neighbourhood plan
 - Preparation of architectural design
 - Preparation of structural design
 - Preparation of electrical design, sanitary design and site plan
- 2.2 Organise and integrate the various activities such that different works can be accomplished side by side and as much as possible in a standardised manner and thereby complete the design works in two months time.
- 2.3 Time Schedule
- a) Complete the design works for 10,000 houses until 8 May 2004.
 - b) Complete the design works for 15,000 houses until 7 June 2004.
 - c) Complete the design works for 15,000 houses until 7 July 2004.

IV. Development of Micro and Small Enterprises and Improvement of TVET

1. Involvement of MSE

MSE will participate in the following fields in the housing development program:

- 1.1 Structural works (Class 6-10)
- 1.2 Direct involvement in construction site (five fields)
- a) wall construction
 - b) electrical installation
 - c) sanitary installation
 - d) finishing works (ceramic, tiles laying, painting)
 - e) site works
- 1.3 Production in manufacturing centres (five fields)
- a) pre-cast manhole, cement pipe production
 - b) metal production (door, window, trusses, stairs, etc)
 - c) carpentry works
 - d) hollow-block production and recycling
 - e) stone work and gravel production
- 1.4 Support to MSE to enhance their share in the aforementioned business works.
- a) As far as it does not undermine quality of work and productivity, allow MSE to execute different jobs at the same time or in isolation.

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- b) Supply MSE with equipment not easily available in the market on credit basis or through establishing leasing system of equipment.
 - c) Conduct the supply of construction materials (gravel, cement, etc) by the project
 - d) Give priority in issuing quarry permits to MSE participating in gravel production.
- 1.5 To improve their vocational skills to a higher stage
- a) Registration hours
 - b) Screening
 - c) Testing
 - d) Pre-registration and registration
 - e) Identifying the training requirements of each field and providing the required training thereafter.
 - f) Preparing working manuals for the different fields.
 - g) Providing short-term training (book keeping, contract administration, quality improvement and productivity improvement)
- 1.6 Use leading agencies to provide support in training, testing, and quality control
- Lalibela Construction in Structural works
 - Selam Technical and Vocational Centre in metal works and woodworks.
 - Productivity Improvement Centre
 - Prefab Building Enterprise in iron bar related works
- 1.7 Conduct activities to bring about attitudinal changes on the part of MSE, and organise them into co-operatives.
- 1.8 Ensure at least a third of the MSE beneficiaries are women.

2. Tasks to be Accomplished in TVET Centres

- 2.1 Provide on the job (on construction sites) training to 283 trainers for a month (depending on suitability, this could be done in one or two rounds) - Up to 7 July 2004.
- a) 225 of these trainers will be drawn from regular training in construction, metal and wood works.
 - b) 58 will be from non-formal with emphasis on low-cost technology, quality control and site supervision.
- 2.2 Facilitate apprenticeships for 5108 trainees.
- a) 1341 in non-formal (painting, woodworks, electrical works, plumbing, metal works, and construction).
 - b) 3769 on formal training (electrical, general mechanics, surveying, drafting, road construction, building construction and woodworks).

They will finish their apprenticeship at the same time as their trainers. To integrate these into the housing construction plan, separate programs will be designed for the 19 institutions.

- 3.3 Make adequate preparations to ensure that this year's graduates get employment with the housing construction projects.

- 3.4 Provide orientation to both trainers and trainees about entrepreneurship, the housing program, and low-cost technology, while they are still in their training institutions; an additional training manual will be prepared for this purpose. (Up to 7 July 2004).
- 2.5 Prepare manuals so as to test the skill of those currently working; enable three colleges to accomplish this task; and involve Selam TVET Centre, Productivity Improvement Centre and GTZ/MHE in this job.
- 2.6 Involve the trainers of the various colleges in the on-site training offered by the experts from Germany (March – June 2004).

3. MSE Development and Training Department

- 3.1 This department has the responsibility to
 - a) Follow up the participation of MSE in construction works.
 - b) Keep records of trainees
 - c) Prepare guidelines and manuals
 - d) Implement technical and vocational testing systems
 - e) Provide all rounded support to MSE
 - f) Prepare working space to MSE
 - g) Help ensure contract enforcement
 - h) Works towards improving quality and productivity of MSE
 - i) Help in tackling problems of MSEs in the construction works
 - j) Create consensus on the importance and participation of MSEs
 - k) Create the required organizational structure and attitudinal consensus on the part of the stakeholders leading the development of MSE.
 - l) Strengthen linkages and co-ordination among the various bodies involved.
 - m) Form strong project team.
- 3.2 It is required to ensure that the stakeholder particularly following agencies know exactly their responsibilities and are ready to work in an organized and co-ordinated manner:
 - a) Productivity Improvement Centre
 - b) Selam Technical and Vocational Training Centre
 - c) TVET centres
 - d) GTZ/LCH-MHE
 - e) Co-operatives Office
 - f) MSE Agency
 - g) Trade and Industry Bureau
 - h) Leadership of Sub-Cities
 - i) Addis Saving and Credit Enterprise

The department in the Project Office and MSE Agency TVET Centre should take the responsibility to organise and co-ordinate the activities of the various agencies listed above.

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4. Standardization

- 4.1 Standardization of the various works involved in the project helps to reduce the difficulties in implementing the project. Hence standards will be set for the following activities and items:
- Finished products
 - Design works (urban, building, neighbourhood, specification)
 - Inputs
 - Production and construction processes
 - Supply of land and infrastructure services
 - Productivity and quality standards, etc.
- 4.2 Accomplish preparatory works
- Ensure that GTZ/LCH-MHE do not own this task, and give emphasis on those essential for the housing construction project.
 - Accomplish this task expediently.

5. Housing Furniture

Since the occupants of the new houses will obviously require household furniture like bed, tables, chairs, shelves, etc, it is essential to promote the market for such products:

- Identify/develop efficient (suitable) furniture designs and promote their application by manufacturers.
- Identify beforehand credit systems for the procurement of such furniture.
- Entrust the MSE Agency with this task.
- Ensure that the manufacturing of furniture is market driven; instead of manufacturing in large quantities, it is essential to create the capacity to manufacture the required furniture and then manufacture only sample or model furniture.

V. Construction Management

1. Produce Capable Site Engineers and Foremen

Since the new organizational structure solves the problems associated with the old system, it is essential to give emphasis to the implementation of the new system up to March 2004.

Since also the number of construction sites will be high (more than 100), it will be imperative to operate such that we produce capable engineers in sufficient numbers. In this regard the following tasks will be accomplished:

- 1.1 Use three sites out of the ten sites as centre of excellence and model construction training centres.

- 1.2 Thirty site engineers and foremen will be made to work for 4-6 weeks in the three sites in rounds and then return them back to their permanent construction sites. Dr. Messele Haile from MHE, and Mr. Ralph Trosse and Mr. Carl (CIM) will closely monitor this training of engineers and foremen.
- 1.3 Twenty building engineers currently working with the administration will be deployed to the centres in March. Sixty building engineers and building technicians will be employed in March and April, while 60 others will also be employed in May and June, all on contract basis. After receiving 1-2 weeks special training these new recruits will be deployed in the three centres of excellence in two rounds.
- 1.4 The construction and low-cost technology manuals will be prepared by April 2004, and will be given to the engineers for their use; check lists/do-lists will also be provided to all the engineers.
- 1.5 The objective now is to produce capable and enough number of site engineers and foremen for the construction of 10,000 houses, but similar preparation will be conducted to produce the required site engineers and foremen for additional 10,000 houses.
- 1.6 In the assignment of the engineers and foremen to the sites, create conditions whereby the experienced will supervise the new ones; exert intensive supervision on the new engineers and foremen via the consultant firm.
- 1.7 Arrange their payment system such that they get a fixed salary plus additional payment that is contingent on their performance (quality, cost and time) [Complete this by 9 April 2004].
- 1.8 Organise performance evaluations and training on monthly basis.

2. Structure Works

The other constraint is related to structure works. The current law of the country requires that structure works have at least 10 years warranty. Thus it is very important that we produce as many sub-contractors as possible that can execute such works with the required standard.

- a) Assign Lalibela Construction to work on the larger sites in the first phase (up to 50%).
- b) Identify and select a total of 500 registered contractors with class 6-10 and informal (unregistered) enterprises starting in March 2004; training will be provided to these sub-contractors in five rounds on the housing technology and quality of work. They will also be made to experiment on the 10,000 houses construction sites. The sub-contractors will then be made to enter into a contract to work as sub-contractors in the structure works.
- c) To enforce the standards set and ensure minimisation of cost, the project will supply the sub-contractors with metal, sand, gravel and cement; facilitate mechanisms for equipping the sub-contractors with the necessary tools and particularly form-works; complete this preparation by 8 May 2004.
- d) The sub-contractors will first work under a close supervision; their performance will then be evaluated to identify the better ones, who will eventually be made to work independently on their own.

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3. Problems Associated with Quality of Work and Co-ordination of Sub-Contractors

- 3.1 The first challenge in involving many small sub-contractors in the housing construction work concerns ensuring high quality standard of construction works and other activities. Similarly the participation of a large number of micro and small sub-contractors raises the challenge of effectively co-ordinating and supervising their activities.
- a) Exert intensive quality control via the consulting firm/engineer and in addition assign internal quality controllers.
 - b) Clearly design the contract agreement such that it severely penalizes any poor quality work.
 - c) Organise sub-contractors in their relevant sectors in each Sub-City, so as to exert the fulfilment of quality standards of their members.
 - d) Before the sub-contractors began their work
 - Select the potential sub-contractors with the highest level of scrutiny.
 - Test the potential subcontractors for selection.
 - Give small job assignments as part of the testing.
 - If they accomplish the small contract awarded to them as part of the testing, then accomplish pre-registration and allow them to work to their full capacity.
 - Provide training before they start working on the sub-contracts from the housing project.
 - Prepare and provide them with manuals that contain specifications and working systems of all construction materials and construction works.
 - Conduct monthly reviews together with sub-contractors and experts from the housing project.
 - e) Prepare working and production spaces for the sub-contractors in all Sub-Cities; look for vacant spaces in public institutions that can be used for such purposes.
 - f) The co-ordination and supervision task will be the responsibility of the projects in the Sub-Cities.
 - g) Strengthen the system of lead agency, and enable the sub-contractors to benefit from such a system; lead agencies will also be made
 - To give on-site and off-site training to sub-contractors.
 - To provide leadership and supervision.
 - To accord other necessary supports.
 - To be monitored by the MSE Development and Training Department.

VI. Ensuring Adequate Supply of Logistics

1. Supply of Construction Materials

It is recognized that there are various constraints with regard to logistics. As can be observed from the Table below, the problem in this regard concerns the existence of excess demand for some construction materials.

No.	Material	Demand	Supply	Remarks
1	Cement (tons)	371,000	700,000	Mugher accounts for 50%
2	Gravel (m ³)	463,000	240,000	Only 240,000 is available for all constructions projects
3	Sand (m ³)	657,000	Available	Available in Koka, but not available in winter
4	Metal (tons)	13,000	Available	Its price is increasing
5	Selected material (m ³)	1 million	Available	

The most critical constraining construction materials are expected to be:

- a) Gravel
 - Allot the quarries in the surroundings of the city for the purposes of the housing project.
 - Assign public enterprises that have quarries to supply gravel to the housing project,
 - Encourage small enterprises to participate in the production and supply of gravel, as small crushers are better at producing the required type of gravel.
 - Keep reserves in depots for emergency purposes for at least two months.
 - Step by step replace gravel with red ash/sand.
- b) Sand
 - Accumulate sufficient stock for construction works in winter before the raining season begins.
 - Secure contracts that ensure dependable supply of the material and transport services.
 - Gradually replace it with red ash/sand.
- c) Metal
 - Monitor its price and ensure its sustainable supply.
- d) Cement
 - Enter into long-term contract with Mugher Cement Factory.
 - Take into consideration the fact that half of the cement required for the project is of lower quality than that is being supplied.
 - Gradually replace it with red ash/sand.
- e) Other inputs
 - Since sanitary, electrical etc are available from public enterprises, the problem can be circumvented by entering into long-term contracts with such enterprises and by working with them to improve the quality of the materials.
 - Import the materials not available domestically; particularly import iron bars as quickly as possible.

2. Supply of Pre-cast Beams

Up to 625,000 (2,000 per day) of pre-cast is required for the housing project. Its production also requires a very high quality standard. Currently the Prefab Building Factory is producing pre-cast beams, but its capacity is only 100 per day. Its product has also quality problems. Moreover the enterprise has financial and managerial problems. Thus the following measures need to be taken to improve the quality and quantity of supply of pre-cast beams from the

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enterprises:

- Step by step increasing its production capacity to 2,000; upgrade its capacity to 1000 by June and to 2000 by early next year.
- Link the enterprise with the city administration.
- Strengthen the board and its management; assign board members in consultation with the Public Enterprises Supervising Authority.
- Seek mechanism to acquire technical support for the enterprise;
The task of reforming the enterprise is already began, and it is planned to increase its production capacity to 500 per day on 9 April 2004.

3. Items Produced by Small Enterprises under Sub-contracting

- a) Hollow Block
This is expected to be produced and supplied by small enterprises. Since the hollow block required for the project has specific size and content, special types of machinery and moulds are needed. The annual demand of hollow blocks is estimated to be 300 million and the daily demand is about 1 million. To produce these quantities, 15000 special machinery are required, which have to be imported. The mould can however be manufactured domestically. Up to June 2004 it is planned to:
 - Enable the 40 machinery currently in operation to produce at their full capacity (2000 per day x 40 = 80,000).
 - Import the machinery via GTZ and the City Administration and distribute them to small enterprises.
- b) Machinery needed for those participating in construction work: vibrators, mixers, metal formwork, and scaffoldings. These can either be manufactured domestically or easily imported and thus ensuring their adequate supply will be given due emphasis.

4. Conclusion

- a) Cognisant of the higher role of public enterprises in the housing project and of the fact that the project has created a good market opportunity for such enterprises, it is necessary to define the relationship in a long-term contract and establish co-ordination mechanism between the project and the enterprises.
- b) Prepare depots in convenient locations in all ten Sub-Cities and keep sufficient stocks of the construction materials; prepare production space and use publicly-owned spaces.
- c) Standardize the various construction materials and strive to use locally and widely available materials.
- d) The supply of materials involves the use of huge amount of transport services; hence it is important to minimise transportation costs by for instance relying on permanent suppliers of transport services.

- e) Establish quality control systems and ensure the proper working of such mechanism.

VII. Selling and Transfer of the Houses

1. Assumptions about the Type of Houses and Income of the City Residents

Types of the houses to be constructed:

- Studio
- One bedroom
- Two bedrooms
- Three bedrooms

In the case of houses located along main streets and in areas suitable for trading activities, the downstairs of the houses will be used for commercial purposes.

With regard to the income of the city residents, old studies indicate the following:

Income Bracket	Percentage of Residents
Below 167 Birr	16%
167-340 Birr	34%
340-670 Birr	30%
670-2000 Birr	16%
Above 2000 Birr	4%

In addition many residents are assumed to earn additional income not reflected in their regular income. Particularly many city residents are assumed to receive money from family and friends living abroad.

For the purpose of privatizing or selling the houses the following is assumed:

Income Bracket	Percentage of Residents
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Below 300 Birr	50%
300 -600 Birr	30%
600 -1200 Birr	10%
1200 -1800 Birr	6%
Above 1800 Birr	4%

2. Renting and Transfer of the Houses

It is assumed that low-income households will be subsidized, while high income households will pay premium prices, which will enable to cross subsidise poor households. Accordingly

- a) It is assumed that households will spend the following percentages of their income on house rent:
 - Lowest 20%
 - Middle and highest 25%.
- b) With regard to down payment, the following assumption are made:
 - Lowest 10%
 - Middle 20%
 - Highest 30%
- c) Taking the interest of the Ethiopian Commercial Bank
 - No interest charged for the poorest
 - Interest charge on other households
- d) Payment period
 - For the poorest households 15 years.
 - For middle and high-income 10 years.
- e) Repayment modalities
 - Arrange the repayment to be effected via banks
 - In the case of people working in the formal sector, devise mechanism where the money can be directly transferred from their salaries to the housing bank account.
 - In the case of defaulting or failure to pay will result in the cancellation of the contract and transfer of the renting or mortgage to other persons. In this regard make the households enter into formal, clear and binding contract.
- f) Calculation of housing costs:
 - The lowest 800 Birr per m²
 - Middle 900 Birr per m²
 - Highest 1100-1200 Birr per m²

- g) Openly auction the houses built for commercial purposes first, make the potential buyers effect payment all at once or alternatively rent out such houses so as to raise the money for infrastructure development.
- h) With regard to the poorest of the poor who would still find it difficult to afford to buy or rent the houses albeit the various efforts made by the government to help them:
 - Mobilise for them aid and support from NGOs (in a way that doesn't create dependency and doesn't violate the objective of the project).
 - Involve them via housing for work and reckon their labour contribution in the housing rent or mortgage; involve them in other paid jobs and deduct such payments from their resultant earnings.
- i) It is assumed that the housing construction cost will be covered by the beneficiary households while land and infrastructure development will be covered by the money raised from leasing of land; it is envisaged also to recoup some of this money from the houses constructed for high income households and for commercial use.
- j) Grace period
 - For very low-income households 6 months
 - For middle income households 3 months
 - For high income groups -
- k) Identifying the beneficiaries using the aforementioned criterion could still be extremely difficult and as witnessed in other countries the poor may be excluded from benefiting from the project for various reasons. Thus the better alternative might be
 - Establish housing development committee at Kebele levels and involve them in the transparently identifying the beneficiaries (form the committee from the advisory council members).
 - Base the subsidy on the area of the houses
 - Studios for very low-income households
 - One bedroom house for middle income households
 - Two and three bedroom houses for high-income households.
- l) For those with no income at all, employ them on cash for work basis by designing cash for work programs; with regard to people unable to work, seek supports from NGOs, business people etc to enable them to buy houses.
- m) Ensure that at least 30% of the beneficiaries are women
- n) The system of payment and ownership will be of a 'rent and own type': by making advance down payment and then monthly paying rent, the household becomes homeowner after sometime.

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No.	Description	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Commercial houses
1.	Monthly income (Average)	300	600	1200	> 1800	
2.	Average Rent (Birr)	60	150	300	450	
3.	Area (m ²)	<20	20-30	30-45	>45	It Varies
4.	Average price/ m ²	800	900	1100	1200	Auction
5.	Grace period	6 months	3 months	-	-	-
6.	Advance payment	10%	20%	30%	30%	100%
7.	Selling price of houses	16,000	18-27,000	33-50,000	>50,000	Auction
8.	Women beneficiaries at least 30%					
9.	Interest Rate	-	7.5%	7.5%	7.5%	
10.	Payment period	15 years	15 years	10 years	10 years	-
11.	Percentage of houses	40%	30%	20%	-	10%

The number of houses to be constructed should be based on the demand of the residents. At this stage however there is a lack of information in this regard and the project is based on the following assumptions:

- Studio 40%
- One bedroom 30%
- Two bedroom 20%
- Commercial centers/houses 10%

Although most of the city residents have high number of household members, it is assumed that they will choose the one-bedroom houses. It is also important to consider the assumptions that the income the residents will increase overtime and that the housing give services for a long time.

- Sell the Gerji houses without any subsidy and in a way that at least covers their costs.
- Generally follow the following principles:
- Prohibit the selling of houses before occupants complete their payment (mortgage).
- Prohibit the renting of houses for a third party before occupants complete their payment (mortgage), unless the occupants are living outside the city.

3. Tasks

- 3.1 Conduct a study on the demand and income of the residents (up to 7 July 2004).
- 3.2 Prepare a guideline regarding the mechanisms of selling and transferring the houses to beneficiaries (9 May 2004).
- 3.3 Prepare guidelines and manuals regarding the communal use, maintenance and upkeep of condominium houses (9 May 2004).
- 3.4 Identify and select people for renting the Gerji houses and the houses in the ten sites; the compensation of those whose houses are demolished for development will also be taken into consideration (7 June 2004).

- 3.5 Conduct activities to bring about attitudinal changes on the part of residents regarding the following:
- On living in condominium houses
 - On saving houses
 - On problems encountered during implementation
 - The Housing Agency, and Information and Culture Bureau will execute this task.
- 3.6 Conduct sufficient marketing and promotion works about the houses: prepare and distribute brochures, arrange visits to the houses:
- Conduct such marketing and promotion works on the Gerji houses immediately after their completion.
 - Finish preparations for next year's work and conduct other works based on this year's plan.

VIII. Organisation of the Housing Development Program

In light of the size of the project, it is essential to establish an institution responsible for the job. The lack of such an organizational capacity has undermined the progress of the project so far. Thus it necessary to create an institution that is capable to oversee the construction of 50,000 houses per annum, to efficiently manage the huge amount of money (half a billion Birr) required for the project and execute related activities. The institution will be entrusted with the necessary power to run the project at a faster speed and will have relatively higher managerial autonomy. Since the project involves many parties, the institution will be design in a way that enables to co-ordinate the activities of all such parties. The institution will utilise all the support and available capacity of the GTZ.

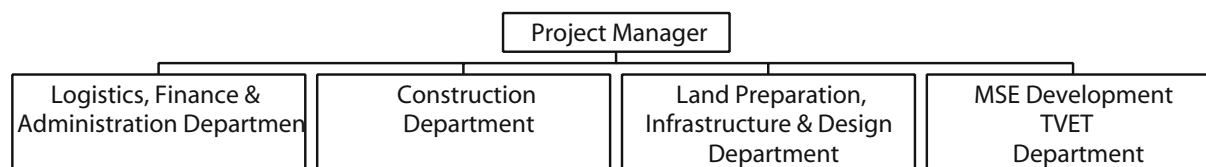
1. Establishing the Housing Construction Project

- 1.1 Its mission is to oversee the construction of 150,000 houses, and execute the goals set for the coming 4-5 years. It will have an organizational structure that corresponds to its major tasks. Specifically the project will execute the following task with a view of achieving its goals:
- Prepare land and ensure the supply of infrastructure facilities for the housing construction.
 - Execute design works (building design, neighbourhood design and urban design).
 - Execute the procurement of major items and distribute them for use; ensure the existence of effective logistics management.
 - Induce the development of new MSEs and promote the growth of existing MSEs (issue licenses, identification and selection of MSE for involvement in the project work, providing training and financial support, etc.).
 - Build human resource management (on-site management, etc) and construction capacities.
 - Manage the financial and non-financial resources allocated for the project efficiently and effectively.
 - Manage the project in such a way that high quality of construction works, minimum cost of construction and timely completion of works are ensured; provide as well technical support to the achievement of such high standards.
 - Co-ordinate and oversee the activities of the various institutions involved in the project work (e.g., Prefab Building Enterprise etc.).

1.2 Organizational Structure

The project office will have a compact organizational structure as follows:

Organisation Structure of the Integrated Housing Construction Project



1.3 Staffing of the Project

Every effort will be exerted to ensure better staffing of the project.

- a) Project Manager
- b) Construction Department
- c) Land Preparation, Infrastructure and Design Department
- d) MSE Development & TVET Department
- e) Logistics Department
- f) Audit and Inspection Head

2. Sub-City Project Office

2.1 The Sub-City Project Office will have the capacity to execute on average 5,000-8,000 houses per year. The project Office will be established in all but Akaki and Bole Sub-Cities. Nefas-Silk and Kolfe Offices will handle the project works in Akaki while Yeka and Kirkos Project Offices will operate the project activities in Bole Sub-City.

2.2 Mission of the Sub-City Project Office

- a) Administer and co-ordinate construction sites in the Sub-City.
- b) Administer depots and production centres.
- c) Collect construction materials from the centre, deliver to sites, supervise their proper use, and conduct smaller procurements.
- d) Select MSE, organise them, administer contracts and supervise.
- e) Select and prepare land for the project in the Sub-Cities.
- f) Exercise quality controls on construction works and materials, and execute the project work in a way that ensures cost minimisation and on time completion of works.

2.3 It will administer the construction sites, input depots and production centres in the Sub-Cities.

2.4 Organizational Structure of Sub-City Project Office

- a) Sub-City Project Manager
- b) Head of Logistics
- c) Head of Land Preparation (This could possibly be run by one of the heads in Land Administration Department of the Sub-Cities).
- d) Construction Works Head
- e) MSE Development and Training Head

The Sub-City Project Manager will also be responsible for the construction works although s/he can employ an assistant engineer.

2.5 Sub-City Project Managers

- a) Arada.
- b) Gulele.
- c) Yeka.
- d) Kirkos.
- e) Addis Ketema.
- f) Lideta/Kolfe-Keranio.
- g) Nefas-Silk.

3. The Relationship Between GTZ and the Project

- a) The GTZ is currently participating in the project work in two ways: the GTZ/LCH (GTZ-Low Cost Housing) is preparing housing designs and provision of technical support, and GTZ-IS (GTZ - International Service) is serving as an Implementing Agency and is directly administering the Gerji and the 10 construction sites at a cost of 860 Birr/m².
- b) The GTZ/LCH in co-operation with MH Engineering will prepare designs for additional 50,000 houses, provide quality control services, advise on the transfer and selling of the houses and provide capacity building supports. They will also prepare various standards and manuals, as well as accord training necessary for the construction. GTZ-IS will sign a contract to administer and construct 10,000 houses. GTZ-IS will further provide support to the construction of the remaining 40,000 houses by the City Government.

4. Co-ordination Matters

4.1 Stakeholders (Participating Agencies)

The project involves not less than 30 different agencies.

- The political leadership: City Cabinet, Sub-City and Kebele Standing Committees
- Project Office
- City Government's various bodies related to land preparation and design works.
- Infrastructure service providers.
- Public enterprises
- Agencies linked to SMEs development and training.
- Housing Agency, Prefab Building Enterprise, Lalibela Construction

4.2 Technical Committees Co-ordination Forum (Meets every week).

4.3 Logistic Technical Committee: Headed by the Project Logistics Department and has the following members

- Public enterprises (as suppliers) and Public Enterprises Supervising Agency.
- Addis Ababa City Environment Protection Authority

4.4 Construction Committee: Headed by the Construction Department and has the following members

- Prefab Building Enterprise
- Lalibela Construction

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(continued)

- GTZ-LCH/MHE
- 4.5 Land Preparation and Infrastructure Development Technical Committee: headed by the same department of the project and has the following members:
- Infrastructure providers (water, land, Tele. Etc.).
 - Infrastructure Development and Construction Works Authority, Land Development Agency and Land Administration Authority
 - Planning Commission, Addis Ababa University
 - MHE/LCH
- 4.6 MSE Development and Training Technical Committee – Headed by the same department and will have the following members:
- MSE Development Agency, Trade and Industry Bureau, Winget, Entoto and 'Tegbare-Ed' Colleges.
 - Productivity Improvement Centre, Selam TVET Centre, Addis Credit and Saving Company, Co-operative's Office.
 - Housing Privatization and Administration, Housing Agency, Project Manager, Information and Culture Bureau, GTZ/MHE, City General Manager and Co-operative's Office. This is actually the job of the Housing Agency and not that of the Project.
- 4.7 The Overall Coordination Forum (meets once every month)
- All members of the Steering Committee
 - Infrastructure service providers (Roads Authority, EEPCO, Tele, Water and Sewerage Authority)
 - Land Administration Authority, Land Development Agency, Construction Works and Infrastructure Development Authority, Environment Protection Authority, Planning Commission
 - Major publicly-owned suppliers (Prefab, Tabor, Mugher, etc), Public Enterprise Supervising Authority, Lalibela Construction
 - Addis Ababa University
 - Addis Credit and Saving Company, Co-operatives Office, Productivity Improvement Centre, Selam TVET Centre
- 4.8 Steering Committee (Highest-level Co-ordination Committee)
- As the project work requires close follow up and very high co-ordination among the various stakeholders, the Steering Committee will have the following members:
- The Mayor (1)
 - The City Manager (1)
 - Management of the Project Office (5)
 - GTZ/LCH (2)
 - Head of the Office of the City Manager (1)
 - Trade and Industry Bureau/MSE Agency (2)
 - Housing Agency (1)
 - TVET and Deputy Bureau Head (1)
 - Public Enterprises Supervising Agency

The Steering Committee meets once every week to decide on binding constraints facing the project and to follow-up its proper implementation.

5. Time Schedule and Implementing Agencies

- 5.1 Make Project Offices at City and Sub-City levels operational
- Assign manpower, furnish with working office and working materials
 - Time: City Project Office – up to 3 April 2004
Sub-City Offices – up to 8 April 2004
- 5.2 Complete planning preparations – up to 8 April 2004
- 5.3 Preparation and implementation of manuals – 28 April
- 5.4 Orientation – up to 8 April 2004
- 5.5 Providing training – up to 23 April 2004 (1 week)
- The training will have the following contents
- Low-cost housing technology
 - Working manuals and standards
 - MSE development
 - TVET programs
 - The plan of the project
 - Urban design (Addis Ababa Semester Plan and theories)
 - Logistics and construction administration

Note: The city government will first assign manpower to the project. New recruits should have the technical skill required for the project. The project should use other experts by transferring from the various offices under the administration.

6. Participating Executive Bodies Responsibilities List

Executive Bodies	Duties and Responsibilities
I. Micro & Small Enterprises & TVET works	
1.1 Education Bureau TVET institutions	<ul style="list-style-type: none"> Identify and prepare trainees Improve training systems Support SMEs with evaluation and training Engage in production as found necessary
1.2 Micro & Small Enterprises Development Agency	<ul style="list-style-type: none"> Select & organise micro & small enterprises Speed up the registration process Support micro & small enterprises Follow up their progress & provide support to improve their performance Strengthen their link with the construction sector
1.3 Co-operative Office	<ul style="list-style-type: none"> Support those interested to organise themselves as co-operatives
1.4 Productivity Improvement Centre	<ul style="list-style-type: none"> Certification and Evaluation Provision of leadership training Improve the capability of TVET trainers

Executive Bodies	Duties and Responsibilities
1.5 Selam Technical and Vocational Centre	<ul style="list-style-type: none"> • Certification • Serve as a lead agency in metal works, woodworks and crusher • Improve the capability of institutions through training • Support micro and small enterprises • Engage in production (in equipment and metalwork)
1.6 Trade and Industry Bureau	<ul style="list-style-type: none"> • Facilitate commercial registration • Support to co-ordinate offices under the Bureau and Sub-Cities • Effect registration of equipment
1.7 Addis Credit and Saving Bank	<ul style="list-style-type: none"> • Facilitate credits and monitor their utilisation • Facilitate leasing of equipment • Facilitate and support the enterprises to save
II. Land Development, Infrastructure Development, City Plan Design Preparation	
2.1 Land Administration Authority	<ul style="list-style-type: none"> • Issue plot certificates on time • Provide information regarding sites selected for housing development
2.2 Land Development Agency	<ul style="list-style-type: none"> • Supply developed sites for housing construction • Provide service regarding compensation affairs • Supply selected sites with infrastructure services

Executive Bodies		Duties and Responsibilities
2.3	Infrastructure Development and Construction Authority	<ul style="list-style-type: none"> • Issue construction permit on time • Co-ordinate infrastructure service providers • Facilitate the issuance of infrastructure and construction standards
2.4	Water and Sewerage Authority	<ul style="list-style-type: none"> • Supply water for construction on time • Prepare plans for water and sewerage pipeline for construction • Remove and clear pipelines on time • Upgrade the standard of water pipelines
2.5	EEPCO	Same
2.6	Roads Authority	Same
2.7	Ethiopian Telecommunication Corporation	Same
2.8	Planning Commission (Physical Planning)	<ul style="list-style-type: none"> • Prepare urban design/LDP • Prepare neighbourhood plan • Supply necessary data for research
2.9	City Manager's Office	<ul style="list-style-type: none"> • Complete the eco-city study • Carry out quality controls • Co-ordinate different activities which require so
2.10	Addis Ababa University	<ul style="list-style-type: none"> • Participate in urban design work • Organise and facilitate apprenticeship for students.
2.11	Brunswick University (Germany)	<ul style="list-style-type: none"> • Participate in urban design work
2.12	GTZ	<ul style="list-style-type: none"> • Facilitate various activities
2.13	MHE	<ul style="list-style-type: none"> • Carry out quality controls • Prepare all the designs • Devise cost saving designs through research
3.	Logistics and Construction Activities	

Executive Bodies	Duties and Responsibilities
<p>3.1 Public Enterprises</p> <p>3.2 Muger Cement Factory</p> <p>3.3 Tabor Ceramic Products Factory</p> <p>3.4 Ethio Plastic Factory</p> <p>3.5 Kaliti Metal Works</p> <p>3.6 Nefas Silk Paints Factory</p> <p>3.7 Ziquala Steel Rolling Mill</p> <p>3.8 Akaki Metalwork Factory</p> <p>3.9 Ethiopia Iron and Steel Foundry</p> <p>3.10 Bole Bulbula Construction Enterprise</p> <p>3.11 Construction Materials Supply Enterprises</p> <p>3.12 Cement Products Production Enterprises</p> <p>3.13 Addis Hollow Block Factory</p> <p>3.14 Bricks Factory</p>	<ul style="list-style-type: none"> • Supply construction materials (hollow blocks, etc) • Supply cement • Supply ceramic and sanitary products • Supply metal and metal products • Gravel
<p>3.15 Construction Bodies</p> <p>3.16 Prefab Building Enterprise</p> <p>3.17 Lalibela Construction Enterprise (Ministry of Defence)</p> <p>3.18 Kaliti Materials Production Enterprise (Ministry of Defence)</p> <p>3.19 Awash Construction</p> <p>3.20 Batu Construction</p>	<ul style="list-style-type: none"> • Produce and supply pre-cast • Execute structural works • Serve as lead agency in construction
<p>3.21 Public Enterprises Supervising Authority</p>	<ul style="list-style-type: none"> • Facilitate and co-ordinate the activities of public enterprises

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(continued)

Executive Bodies	Duties and Responsibilities
3.22 Addis Ababa Environmental Protection Authority	<ul style="list-style-type: none"> Identify and award quarry areas for the production of construction materials Facilitate and co-ordinate gravel producers
3.23 Transport Authority	<ul style="list-style-type: none"> Co-ordinate transport service providers Facilitate traffic movement permits
3.24 Micro & Small Enterprises Development Agency	
3.25 Structural	Sub-contractors
3.26 Material Production	Sub-contractors
3.27 Construction Works	Sub-contractors
3.29 Ethiopian Customs Authority	
3.30 Finance & Economic Development Bureau	
3.31 GTZ LCH/IS	
3.32 MHE	
4. Housing Administration & Privatization Agency	
4.1 Housing Agency	
4.2 Co-operatives Office	
4.3 GTZ-LCH	
4.4 Land Administration Authority	
4.5 Banks	
5. GTZ/LCH-IS/ MHE	
5.1 Improve low-cost housing technology GTZ/LCH	
5.2 Participation of GTZ-IS in housing construction as an implementing agency	
5.3 Provide capacity building support to the project	
5.4 Implement urban upgrading and urban renewal programs	
5.5 Together with MHE carry out quality control and overall work control.	
5.6 Prepare standards and implement them after their approval	
5.7 Participate through coordinating the overall program (integrated housing development program)	
6. The Leadership at Various Government Tiers	
6.1 City Government Cabinet	
6.2 Sub-City Standing Committee	
6.3 Sub-City Standing Committee	
6.4 City Manager	

Executive Bodies	Duties and Responsibilities
6.5 GTZ/LCH-IS	

IX. Launching a Large-scale Movement on Housing Development

1. Identify Responsible Agencies in the Projects

The following have a decisive role in the housing development program:

- a) Government
- b) MSEs
- c) The public directly benefiting from the housing constructions
- d) The wider public

1.1 Government

The government has a key role in igniting a large-scale movement on the housing program in the following respects:

- a) Enlighten the wider public to understand and appreciate the importance of the project and thereby work for the success of the project with full conviction; enhance the participation of the wider public via financial contribution and handing-over of land.
- b) Educate the public both the directly benefiting residents and others about the project and thereby ensure their support for its success
- c) Enlighten the SMEs directly participating in the project about the importance of the program and their responsibilities; ensure that they discharge their responsibilities effectively.
- d) Make sure that government employees and experts go to work with adequate information regarding the project.

1.2 The Directly Benefiting Public

By enabling to become homeowners, the project directly benefits a large-section of the city's residents. The project ensures a stable life and proper sharing of the national wealth to the beneficiaries. The benefiting public should therefore actively participate in the project and fully discharge its responsibilities. The public should demonstrate its readiness to effect advance payments, and improve its saving culture (increase its saving propensity). In addition the public is expected to accelerate the implementation of the program by providing support to administrative works related to the project and fighting against those trying to obstruct the program.

1.3 The Wider Public

Although the wider public may not directly benefit from the project through owning of houses, the project is expected to benefit the citizens in general in many respects. The project creates better and habitable environment and accommodations, improves the security and safety of the neighborhoods, creates large number of employment opportunities, improves income, which all have a multiple effect on the socio-economic development of the city and the living standard of the wider public. Thus the wider public is expected to actively participate in expediting the

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implementation of the program through providing support to the preparation of land and sites for construction, as well as through fighting those trying to obstruct the program.

1.4 The Technical Experts

By appreciating the importance and implication of the program, the experts are expected to strive to build their skill and capacity. Acquiring substantial skill and capacity will significantly improve their future life. They are expected to strive to improve their skills and show high working moral, and thereby ensure the achievement of high quality standards and productivity improvements.

1.5 MSEs

These are expected to improve their skills, show improvements, produce higher quality products and deliver on time, and generally contribute towards the building of a large and advanced industrial sector. These enterprises directly reap benefits from the project via obtaining of employment opportunities, improvement in income, getting job security and over the long-term from become owners of modern business enterprises. These benefits further create conditions for them to become homeowners. Thus it is crucial that these enterprises participate in the program with full recognition of the importance of the program.

The above bodies should be enlightened about the importance of the program, about its benefit to them and thereby also about their responsibilities. They should be made to actively participate in the movement in order to reap the benefits. In this way all the parties should be involved in the large-scale movement of the housing development program.

2. Objectives of the Movement

By creating the capacity to construct 50,000 houses per annum, the project aims:

- 2.1 To solve the residents accommodation problem and achieve this objective via ensuring homeownership of a large number of residents.
- 2.2 Create better living and working environment by upgrading and renewing the decaying and slum areas of the city.
- 2.3 To develop MSEs, expand employment opportunities and promote the development of the construction industry.

The mission of the movement is therefore to enlighten the MSEs, the directly benefiting residents, the wider public and the experts about the importance of the housing program and thereby mobilise their contributions towards the success of the project based on full commitment and convection.

3. Mobilise the Participating Institutions

3.1 General

To achieve the objective of the movement explained above the following bodies will be mobilized for the movement until 7 July 2004:

- a) Government
- b) MSE
- c) The experts of the project

The movement and mobilisation activities will centre on these bodies until 7 July 2004, but then the movement should progress to mobilise the directly benefiting residents and the public at large.

3.2 Mobilising MSEs

3.2.1 Goal

Enhance their skills so as to successfully implement the project and ensure MSEs' benefit from the project; ensure their performance improvements, their ability to meet minimum standards set and deliver on time agreed; ascertain whether they are effectively discharging their role in the creation of an advanced and high standard industry.

3.2.2 Tasks to be performed (March –July 7 2004)

- a) Organise the participants into co-operatives.
- b) Orient the participants about the importance and content of the program and their role in the program and that of the government before they start operation.
- c) Publicise the activities of the MSEs participating in the program via media and various forums.
- d) To entice competition among themselves and thereby enhance productivity and quality improvements, identify and award the more successful MSEs and draw lessons from those less successful ones.
- e) Regularly (monthly) evaluate their performance and solve their problems; all the support provided to them should be accorded in a transparent and participatory way, and without engendering dependency.

3.2.3 Orientation

- a) Give orientation to those participating as sub-contractors in their respective Sub-Cities
- b) The following things will be given emphasis in the orientation
 - Their benefits from the program and their role
 - The decisiveness of the quality of their work and their role
 - The importance of delivering on time and minimisation of wastage
 - Their role and that of the government in fighting against dependency
 - The importance of forming associations/co-operatives
 - The working systems and standards they should pursueSuch orientation will be conducted continually as deemed necessary.

3.3 Mobilizing the experts

3.3.1 Goal

To ensure that they entered into operation with full knowledge, appreciation and conviction about the importance and significance of the program, it is important to equip them adequately with the content of the program and induce them to build their capacity.

3.3.2 Tasks to be Performed (march – 7 July 2004)

- a) Provide full orientation to them

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- b) Ensure their active participation in plan preparation, monitoring and evaluation
- c) Identify, recognise and award those showing better performance, and provide support to those lagging behind
- d) Organise regular (monthly) discussions to identify their problems and the kind of support they require; and take actions accordingly.

Various government institutions, the party as well as the public also have a role in the housing development program. The objective of the movement is to actively involve these agencies in the program with a clear information about their responsibilities and to provide information to the public about the project.

4. Government Bodies

4.1 The Political Leadership

4.1.1 Orient the political leadership at City, Sub-City and Kebele levels about the program and about their role; make them approve the program as their own plan; ensure their follow up regarding the implementation of the program; ensure their regular evaluation of the program and ascertain their leading role in the program.

4.1.2 The discussion about the plan will be accomplished in the following manner

- a) The cabinet will discuss on the plan, improve on it and approve it
- b) The Standing Committees of Sub-Cities and heads of the Sub-City offices will discuss on the plan identify their role and have full information about the program.
- c) The Standing Committees of Kebeles and heads of the Kebele offices will discuss on the plan identify their role and have full information about the program.

4.1.3 Implementation

- Time schedule: 16 March – 8 April
- Implementing agencies: City Mayor, City Manager, Cabinet Members

4.2 Implementation Agencies

4.2.1 The agencies directly involved in the implementation of the program should have full conviction on the plan, be ready to fully use their potential and work with the highest degree of motivation and commitment.

4.2.2 Participating agencies in this regard are

- The Administration's Stakeholders
- The Project's Managers at City and Sub-City levels, and concerned public enterprises
- Others: Addis Ababa University and Training Centres
- Site engineers and foremen (which will be given special attention)

The orientation given to these bodies should be conducted in a more actively participatory way so as to improve on the plan.

4.2.3 Areas that Need Special Attention

- Achieving a consensus about the plan
- Creating a sense of urgency regarding the program

- Creating awareness about the decisiveness of completing preparations for 2004/05 up to 7 July 2004
- Achieving a consensus with regard to the importance of quality of work
- Achieving a consensus about the decisiveness of working in co-ordination
- Achieving a consensus about the importance of always preparing detailed working plans together
- Achieving consensus about the importance of strengthening MSEs

4.2.4 Implementation

- Implement the orientation in two stages: project works, on site and to foremen and above
- For leaders/officials: 24 March- 8 April
- For site foremen: end of March and early April
- In different rounds, when they are employed
- Implementing bodies: Mayor, City Manager, cabinet, Sub-City Standing Committee

5. The Public

5.1 Give full orientation to the beneficiaries of the Gerji and the 10 sites projects

- a) Clearly state the policy regarding ownership of the houses
- b) Clearly state the rules and regulations about condominium houses
- c) Clearly state about the importance of maintenance and upkeep of the houses
- d) Clearly orient about the importance of low-cost technology
- e) This task will be conducted in April, May, and June

5.2 Advisory Council

- a) Correct the wrong attitude towards condominium houses
- b) Orient about the importance of saving and the mechanism to achieve it
- c) Orient about the plan's general contents
- d) Orient about their role with regard to the public

This task will be accomplished after June.

5.3 Tasks to be accomplished via the Media

- a) Inform the public about the progress of the construction, its technology, role of MSE, and the role of the various agencies involved in the program
- b) Inform and educate about the benefits of condominium houses and the importance of savings
- c) This task will mainly be accomplished next year, but will be started this year.

Notes: The movement will fully be launched next year after the Gerji Model Houses are completed and the 10 sites showed significant progress.

6. Party Members

6.1 The Parties political leaders will participate in forums organized for government officials.

6.2 Party members will be oriented about the program and their role in its implementation

- a) Those participating in the construction of the project

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(continued)

- Play an exemplary role in ensuring productivity, minimizing wastage, improving quality
- Operate by showing very high sense of urgency
- Suggest constructive ideas
- b) Those participating in MSEs
 - Play an exemplary role in ensuring high quality of work and respecting contract agreements
 - Exert efforts to improve their skills
 - Form co-operatives and fight against rent-seeking activities and corrupt practices
 - Fight against corruption and wastage

6.3 The orientation will be provided together with the development and good governance plan of the city.

Appendix 1: Participation of Public Enterprises

Public enterprises have an indispensable role in the success of the integrated housing development program. Thus it is essential to create a conducive situation for the enterprises to effectively discharge their responsibilities in the integrated housing development project. In the meantime it is important to strengthen the public enterprises and thereby enable them to play a crucial and sustainable role in the construction industry.

1. Goals

- 1.1 Contribute to the success of the integrated housing development project by participating in the supply of construction materials and as construction subcontractors, as well as by ensuring lower cost, higher quality, reliability and on-time delivery of contracts.
- 1.2 Play a role as leading agencies in engendering micro and small enterprises, promoting their development and making them more competitive in participating in the housing development project.
- 1.3 Enable public enterprises to improve their performance and loss-making positions, enable them to become effectively competitive enterprises and thereby positively contribute to the construction industry and national economy.

2. Expected Result from each Public Enterprise

- 2.1 Since the houses to be constructed are meant for low-income residents and their construction cost is covered by the City Government, participating public enterprise should minimise their costs, improve their productivity and avoid wastage. The very high level of overhead cost of most of the enterprises should not become a burden on the project and hence should not be incorporated in the cost calculations for the project purpose. Thus the cost calculations should only include the expenses directly associated with the materials or services rendered to the housing project. Since the work is not expected to be highly profitable, the enterprises should attempt to minimise their costs by operating at a larger scale and should operate by aiming to make only a moderate profit.
- 2.2 It is very important that they significantly improve the quality of their materials, services and works. Quality

problem has so far been witnessed at a significant level.

- 2.3 It is also very important to identify materials and equipment of the enterprises that have been idle for so many years and seek mechanisms where the housing development project could use these resources either in purchase or renting.
- 2.4 Facilitate mechanisms where large stores and depots of these enterprises could be used for the purpose of the housing development project.
- 2.5 In order to develop and strengthen micro and small enterprises
- a) Participate in recruitment, evaluation and organisation of individuals, micro and small-scale enterprises that involve in the various works related to the housing project.
 - b) Provide off the job and on the job training to micro and small enterprises.
 - c) Lead and supervise
 - d) Provide support in terms of supply of equipment, materials and other services.
 - e) Utilise the various supports they provide in co-ordination with that of the Micro and Small Enterprises Department.
- 2.6 In order to ensure the smooth operation of the project, it is essential to facilitate short-term bank loans to public enterprises facing financial problems, provide advance payments for services and works of the housing project and effect progress payments without delays.

3. Tasks to be Executed

- 3.1 Appoint new members of board of directors to enterprises directly linked with the housing development project – March 2004.
- 3.2 Strengthen the board of directors and the executives of the enterprises – March, April 2004.
- 3.3 Provide detail orientation to board members and executives of enterprises – March 2004.
- 3.4 Establish working systems that enable to use agreements and contracts together – March and April 2004.
- 3.5 Speed up the preparatory works and begin the work to involve them in the project – March and April 2004.
- 3.6 Conduct regular meetings and evaluations at a common forum and strengthen the working relationship.

4. Participating Public Enterprises

- 4.1 Role of those Participating in Construction
- 4.2 Extensively involve in structure works and make the structure works modular and standardised.
- 4.3 Play as a leading agency in structure works.

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- 4.4 Utilise idle equipment and other resources.
- 4.5 Concentrate on the work of the housing project only by quickly completing other ongoing projects on their hands and/or handing them over to others.
- 4.6 The following will participate in construction works
- Awash Construction Enterprise
 - Batu Construction Enterprise
 - Lalibela Construction Enterprise
- 4.7 Supply of Pre-cast Beams
- 4.8 Participating enterprises
- Prefab Building Enterprise
 - Kaliti Construction Materials Production Enterprise
- 4.9 Role
- Fulfil the supply of high quality pre-cast beams sufficient for the construction of 50,000 houses at a competitive price and on specified delivery time.
 - Play the role of a leading agency for other small enterprises participating in the supply of pre-cast beams; in particular enable the Kaliti Construction Materials Production Enterprise to play the role of a leading agency for small enterprises engaged in metal works.
 - Make the enterprises engage in the production of hollow blocks and metal products in addition to their production of pre-cast beams.
 - Conduct these activities in association with the Construction department.
- 4.10 Participation in Gravel and Hollow Block
- 4.11 Participating Enterprises
- Bole Bulbula Construction Enterprise
 - Construction Materials Supplier Enterprise
 - Cement Products Production Enterprise
 - Addis Hollow Block Production Company
 - Brick Products Production Company
- 4.12 Expected Role
- Create an environment whereby they can produce the materials as per the specification prepared by the project and increase their production capacity.
 - Deliver the materials with high quality, at competitive prices and at the agreed time to the project.
 - Play the role of a leading agency to small enterprises participating in material production and supply and strengthen them.
 - Involve other enterprises that participate in the supply of gravel (Awash, Tikur Abay, Batu, Addis Ababa Roads Authority etc.).
- 4.13 Enterprises Manufacturing Industrial Products

4.14 There are various public enterprises that supply construction materials to the project and other customers.

These are:

- a) Kaliti Metal Factory
Products: LTZ, RHS and Eaga Sheet
- b) Tabor Ceramic products Factory
Products: sanitary products (hand washing basins, tiles, hangars, and toilet sitters)
- c) Ethio Plastic Factory
Products: Conduit, electric wires, sewerage pipes
- d) Nefas Silk Paints Factory
Products: paints
- e) Akaki Metal factory
Products: water pipes, roofing sheets
- f) Mughar Cement Factory
Products: cement
- g) Ziquala Steel Rolling Mill
Products: iron bars
- h) Ethiopia Iron and Steel Foundry
Products: iron bars

4.15 Expected Role

- a) Produce and supply to the project as per the specifications of the project and in sufficient quantity and quality.
- b) Ensure the supply of materials at competitive prices, with high quality and timely delivery.
- c) Provide support to small enterprises and sub-contractors engaged in related activities through the provision of technical training.
- d) Work in association with the Logistics Department.

4.16 Infrastructure Providers

4.17 Participating Institutions are

- EEPKO
- Ethiopian Telecommunication Authority
- Addis Ababa Water and Sewerage Authority
- Addis Ababa Roads Authority
- Addis Ababa Construction and Infrastructure Authority

4.18 Goals

- a) Readily prepare the houses for use after their construction by immediately providing infrastructure services to the houses constructed by the housing development project.
- b) Conduct the infrastructure design and construction works in accordance with the standards pursued in the housing development project.
- c) Provide infrastructure facilities necessary for construction works to sites selected for housing development before the construction work is begun.
- d) Prepare the Local Development Plan in a coordinated manner by involving all the different infrastructure providers.

Addis Ababa Integrated Housing Development Program four months plan

(continued)

5. Tasks to be Executed

- 5.1 Provide orientation to participating institutions about the housing development program 9 –15 April 2004.
- 5.2 Prepare a common plan together
 - a) Local Development Plan
 - b) Neighbourhood Plan
 - c) 9 April - 7 July 2004
- 5.3 Decide on the standards to be utilised in the housing development programs
 - a) Standards, manuals etc.
 - b) Decide on the mechanism regarding maintenance and upkeep and prepare guidelines
 - c) 9 April – 9 July 2004
- 5.4 Continue with Procurement and Construction
 - a) Continue procuring and accumulating materials
 - b) Continue with the construction works
 - c) 9 April – 7 July 2004
- 5.5 Organize Co-ordination organs and strengthen them
 - a) Organize a committee drawn from the Housing Development project Office, suppliers of infrastructure services, and the construction and infrastructure Authority.
 - b) Ensure the integration of the project by permanently assigning a person from each infrastructure suppliers within the housing development project.
 - c) Evaluate the weekly and monthly progress of the project.
 - d) 9 April – 7 July 2004
- 5.6 Commonly decide on the financing of the infrastructure development
 - a) Make each infrastructure supplier finance the development of infrastructure for the project.
 - b) If it has to be financed by the city government then defer the payment until after some years by providing a guarantee.
 - c) 9 April – 7 July 2004.
- 5.7 Supply services necessary for construction to all the sites
 - a) supply services to sites
 - b) conduct relocation works on time
 - c) 9 April – 7 July 2004.
 - d) Supply infrastructure to ongoing construction project sites and selected project sites 9 April – 7 July 2004.

Appendix 2: Supply of Gravel

The supply of gravel in the city is very small compared to the demand from the housing construction project. Thus it is indispensable to design short and long term mechanism to enhance the capacity of gravel production.

1. Goal

- 1.1 Ensure the sustainability of the supply of gravel from that produced in the city to the housing construction and control price fluctuations
- 1.2 Exploit the existing quarries not utilized so far
- 1.3 Prepare new quarries and encourage MSEs to participate in this field
- 1.4 Ensure the sustainability of the supply of sand and red ash and control expense

2. Tasks

- 2.1 Enter into agreement with suppliers of gravel in the city and the surroundings for the supply of gravel at reasonable price until 10 October 2004, and thereby ensure the maintenance of sufficient materials (March, April 2004).
- 2.2 Bring under the housing project existing quarries with areas of more than 200,000 m², allow such quarries for use by suppliers working for the housing project, ensure the production of 20,000 m³ per month from such quarries (March and April 2004).

Existing Quarries

Name of Enterprise	Location	Quarry Area in m ²	Current situation
Tikur Abay	Nefas Silk	26,413	Small reserve only
A.A Construction Enterprise	Akaki/Kaliti	151,392	Sufficient reserve
Tana-Beles Construction	Akaki/Kaliti	22,614	Small reserve only
Lalibela Construction	Akaki/Kaliti	6,549	Access/Road problem
Total		206,968	

- 2.3 Involve 50-100 small crushers (that can produce daily 50-100 m³) into the work; work together with Selam TVET and equipment importers (March-June 2004).
- 2.4 Accomplish preparatory works by constructing access roads and paying compensations and thereby increase the production capacity by 500,000 m³ per annum (March –June 2004).

Addis Ababa Integrated Housing Development Program four months plan

(continued)

Reserve Area	Area in m ²	Reserve in m ³
Bole Kebele Lemi (21)	175,000	1,750,000
Bole Kebele Lemi (21)	202,500	2,025,000
Bole Kebele Weregenu (20)	375,000	375,000
Bole Kebele Kotebe (19)	875,000	875,000
Total	502,500	5025,000

- 2.5 Specifically allocate the required the gravel, sand, and red ash to the housing project and thereby ensure its sustainable supply and reasonable price (March -April 2004).
- 2.6 Entrust the Environment Protection Authority with full responsibility regarding the creation of sustainable supply of the materials to the project.
- 2.7 Identify quarries of sandstone for the housing project and guarantee adequate supply to the project (march- May 2004).
- 2.8 Facilitate for the co-operative in Northern Shoa to directly supply the materials to the project work (March-April 2004).
- 2.9 Activities to be executed construction mining (Up to 23 April 2004).
- 2.10 Select the quarry sites with sufficient reserves and better access road (March 2004).
- 2.11 Identify the peasants working on the selected quarry sites (March 2004).
- 2.12 Conduct surveying
- 2.13 Estimate the compensation to the peasants and effect the payment
- 2.14 Then issue permits to selected suppliers on contract basis.

Appendix 3: Sites Selected for the Housing Program by Area, Location and Sub-City

Lideta Sub-City						
No.	Kebele No.	Area by m²	Presence of Property		Special Loca- tion Name	Remark
			Yes	No.		
1	12	6,469	√		Deke Mehari Garage	The site is appropriate, but some houses need to be demolished

Lideta Sub-City						
2	01	5,860		✓	Mechare Meda No.1 (Old Airport)	Property of Kebele (old office), demolishing required
3	03	3,394	✓		Balcha Meda	Appropriate for housing , but currently it is a playing ground
4	05	3,741		✓	Ersha Sebl Store	Appropriate
5	02	11,000	✓		Mechare Meda No.2 (Old Airport)	Appropriate
6	01	7,000		✓	Etege Chaka	Appropriate, little earth work needed
7	02	5,000		✓	Kebele 13 office	There is ample space, but the Kebele want to build a hall
8	02	4,850	✓			

Arada Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	08	4,568		✓	Kechene Area	Very sloppy and currently a police station
2	14	1,348		✓	Kebena Shell	Too small
3	13	7,427	✓		Ginfile River	Appropriate, but in the middle of the plot there is private & AAHR property that need demolishing
4	14	1,773		✓	Minilik Hospital	Too small
5	01	977		✓		Too small
6	06	1,978		✓		Too small
7	07	1,087		✓		Too small
8	14	1,424	✓			Too small
9	17	3,154	✓		Arat Kilo	Found to be property of the church

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(continued)

Arada Sub-City					
10	5,380		√	Behind Ras Desta Hos- pital	Playing ground, but appropriate for housing with 1000 expansion possibility and selected for the 1st phase
17					

Addis Ketema Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	08	3,674	√		Merkato	Appropriate, but currently a rec- reation park, but Sub-City promised to clear it
2	07	10,641	√		Near Tsehay Gebat School	Horticulture field and could be used in the future after negotiating with the producers
3	18	3,824	√			Currently being used by MSE
4	07	3,000		√		Appropriate for housing
5	20	1,945		√		Too small, but there is a possibil- ity of expanding by demolishing some houses
6	20	910	√			Too small
7	07	2,209		√		Besides a river and not being appro- priate for low cost housing, not plain
8	17	2,512		√		It is one of the 10 sites of the first phase
9	06	2,719		√	Near Dilachen School	Appropriate, but little earth work is required

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(continued)

Addis Ketema Sub-City					
10		1,785			Too small and problem of accessibility
10					

Yeka Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	08	2,142	√		Merkato	Possibility to expand since most of the property belongs to Kebele (store, grain mill, shops ,etc)
2	14	3,261		√	Lem Hotel	New Kebele hall and restaurant occupy most of the area
3	15	3,475		√	Near Saint Michael Church	Appropriate but the 'Baladera' claims the plot
4	12	1,636		√		Too small (playing ground)
5	11	35,393		√	Feres Bet	Appropriate but the Palace Administration have claim on the plot
6		13,120		√	Feres Bet	Found to be appropriate, but it is claimed by the Palace Administration
11						

Kirkos Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	11	1,057		√		Too small
2	20	1,539	√			Too small
3	11	971		√		Too small
4		1,050		√		Too small
5	06	1,781		√	Read Sea Contractor Office	Too small

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(continued)

Kirkos Sub-City						
6	04	1,379		✓		Too small
7	17	1,796		✓	Besides Lebe Fana School	Other area besides could be included (the area of the nearby is the property of education meant for agriculture training field)
8	13	2,260		✓	Sisay Meda	Could be used after demolishing some houses and solving the problem of liquid waste passing through the site
9	10	1,773		✓	Mexico Area	Too small
10	03	3,035		✓	Meskel Flower	Not appropriate since it is too sloppy
11	04	1,177		✓	United Teachers	Too small
12		3,808		✓		Play ground, but the Kebele is not willing that the site is used for housing
03						

Kofe-Keranyo Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	06	29,152		✓	Weyra Sefer No. 1	Appropriate for housing
2	06	9,000		✓	Weyra Sefer No. 2	Appropriate for housing
3	15	21,615		✓	Asko Area	Appropriate for housing
4		3,371		✓		Not accessible for trucks
07						

Gulele Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	04	3,957		√	W11 Health Centre	Found to be very sloppy
2	10	4,693	√		Alemtshay Bridge	Appropriate but currently occupied by Federal Police, but very small mud houses that need to be demolished and the total area is more than 8000 m ²
3	15	2,365		√	Kebele Compound	The present production site
4	15	8,281		√		Very sloppy and not appropriate for low cost housing
5	20	8,678		√	Shiro Meda	The Sub-City decided to allocate the site for MSE
6	12	5,600		√	Kechene	Kebele compound but the Kebele is willing to allocate the area mentioned for housing
7				√	Belay Zeleke School	Part of the school compound could be used as a production site

Nefas Silk Sub-City						
No.	Kebele No.	Area by m ²	Presence of Property		Special Location Name	Remark
			Yes	No.		
1	17	57,000		√	Lafto Saint Michael Church	Appropriate for housing

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(continued)

Nefas Silk Sub-City					
2	70,000	√		Kore	Appropriate for housing, but possibility of increased area through some demolishing
02					

Appendix 4: Mobilisation of Financial Resources

It is estimated that 1.5-2 billion Birr is required for the construction of 50,000 housing units per year. In contrast the financial capacity of the City is very low. It is essential therefore to improve the situation using various mechanisms.

1. Goal

- 1.1 Mobilise and ready sufficient financial resources for the construction of houses and ensure its sustainability.
- 1.2 Devise mechanisms that ensure minimisation of cost of construction.

2. Financial requirement for 2004/05

- 2.1 Finance required for the construction of 20,000
 - a) Birr 850-860 per m²
 - b) Average area of a house 35 m²
 - c) Average price of a house Birr 30,000
 - d) Total cost of the 20,000 houses Birr 600 million
 - e) For land preparation and infrastructure development Birr 50 million.
- 2.2 cost of land preparation for the construction of new houses in expansion areas
 - a) preparation of land for the construction of 40,000 condominium houses (50 m² each).
 - b) Average cost of preparation Birr 50/m²
 - c) Total cost of land preparation for the 40,000 condominium houses is Birr 100 million (this cost only considers expenses of very important activities).

3. Sources of Finance

- 3.1 Increase revenue from land leasing
- 3.2 Assumptions
 - a) Advance payment of land lease 20%
 - b) Average price Birr 1000/m²
 - c) Thus to raise Birr 1 billion in revenue, it is necessary to prepare 500 hectares of land worth a lease

price of Birr 5 billion.

3.3 Priority Areas will be

- a) Undeveloped areas found adjacent to main streets in the city (Bole Road, Wello Sefer, Haile Gebre-sellasie Road, Churchill Avenue, Mexico Square areas, etc)
- b) Priority areas in the urban development plan (Kaliti terminal, etc).
- c) Vacant plots and spaces with no buildings in the hands of government institutions.
- d) Vacant plots in central parts of the city.
- e) Areas around the ring road

3.4 Based on this

- a) Prepare detail plan and entrust the Land Development Agency and Land Administration Authority with the responsibility of its implementation.
- b) Allocate reasonable budget, but give emphases to areasthat do not entail large compensation and infrastructure development costs.
- c) Link the road development plan of the city with the housing development plan so as to minimise costs associated with land development.
- d) Allocate some of the 40,000 sites that will be prepared for leasing to those interested to lease land for the construction of residential houses.

3.5 Collect unpaid leases arrears and raise additional revenue by re-auctioning sites that has been leased but on which no construction has been begun.

3.6 Allocate money collected from arrears of projects, land fee and related sources for the housing development program.

3.7 Selling of houses designed for commercial use

- a) commercial houses will constitute 10% of the houses to be constructed. Thus out of 50,000, five thousand houses will be used for business purposes.
- b) It is estimated that their average selling price will be Birr 3,000 per m².
- c) Thus $3,000 \times 5,000 \times 35 \text{ m}^2 = \text{billion } 525 \text{ million}$.
- d) In 1997, the number of houses sold will not be more than 2,000, and hence the revenue that will be raised is equal to Birr 210 million.
- e) For the houses to fetch higher prices, it is essential to ensure the supply of adequate infrastructure in their neighbourhood, pursue quicker auctioning system, and prepare designs for the rooms that minimise partitioning that is suitable for commercial activities.

3.8 Advance Payment

Advance payments from the transfer of the houses to beneficiaries should be reckoned as one source of revenue

- a) facilitate mechanisms where advance payments could be effected while still the construction of the houses is not finished.
- b) The amount of advance payment is

For studio	10%
One bedroom	20%
Two bedrooms	30%

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(continued)

Using these percentages and assuming that 15% will be collected in 2004/05, it is planned to collect Birr 80-90 million.

- c) prepare clear guidelines and design the customer service delivery very expedient and that wins the confidence of the beneficiaries.

3.9 Other Alternatives

- a) seek mechanism where infrastructure providers particularly EELCO and Tele will cover infrastructure development costs or at least defer their payment until after 1-3 years.
- b) Effectively utilise VAT and import duty exemptions as provided in the law of the country.
- c) Mobilise resources from donor agencies that could be interested to provide shelter for low-income people.
- d) Focus the attention of philanthropist businesspersons and donor agencies on sponsor the people in absolute poverty with no potential to buy a house.

3.10 Minimizing Construction Cost

By seeking and pursuing strategies that minimise construction costs, attempt to reduce average construction cost of a house from Birr 30,000 to Birr 25,000

3.11 Use systems that reduce costs in procurement

- Bulk purchasing
- Procure local materials (e.g., gravel) during seasons that show a declining price
- Work towards reducing price of metals and metal products

3.12 Improve the productivity of construction works.

3.13 Devise designs in a way that minimizes costs of construction

3.14 Investigate for any possibility to reduce areas of the houses.



Socio-economic survey on acceptance of new living patterns in the Bole / Gerji pilot condominium apartment construction site

by Prof. Dr. Beate Lohnert and Regina
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Within the framework of a research project on four different housing schemes implemented in Addis Ababa Prof. Dr. Beate Lohnert and Regina Fein from the University of Bayreuth, Development Studies in Geography, conducted a survey in the condominium apartment houses in Bole-Gerji on the base of a comprehensive standardized questionnaire with some open questions. The data were collected in March 2006. The sample consisted of one third of the housing units (232 apartments) and took exactly one third of each apartment type into account.

The first findings as follows are the provisional results of the survey, going to be statistically approved soon.

Owner-occupied vs. rented

Most of the apartments are owner-occupied but still there are some in almost every block inhabited by tenants who rent the complete apartment from the owner. There was no case of renting out single rooms, and only one case of trying to sublet one room of a one-bedroom type apartment.

The guards as well as other young men act as brokers and negotiate between potential renters and the owners of yet unoccupied apartments and sometimes even provide the owners with lease contract copies. Some owners leave their phone number and the keys with them, in other cases the brokers can only offer a look through the windows and have to contact the owner via neighbours. The commission usually is 10% of the monthly rent. This kind of informal brokerage is quite common for the housing market in Addis Ababa whereas in the case of Bole-Gerji the offers are spatially concentrated only on this site.

Rents are ranging from 600 to 800 Birr per month for studio type and middle-size apartments but can also reach or even exceed 1000 Birr for big and/or furnished apartments, but these cases are quite rare.

Household structures

Most of the surveyed households can be assigned to the middle-class, both lower and upper. But there are also households belonging to low-income and – although

very few – high-income groups. Although the composure of households is quite heterogeneous certain types can be made out:

Male bachelors are predominantly renters with relatively high or even very high incomes; they value the modern way of life in apartment houses but state that they will move out when they are going to marry and have children.

Single women usually own the apartment they are living in. Some of them, mostly in the 22 m² studios, belong to low-income groups and can hardly survive without the help of their family, especially if they are single mothers with children required to attend school. A few of them are thinking of moving to their family's house and renting out the apartment. But there are also single, divorced or widowed women, mostly in their forties, with either no or adult children and a job, who quite often own middle-sized apartments of 41 to 63 m².

Similarly, most of the single fathers own the apartment they are living in. All of them have either a female relative or a servant living with them.

Yet, most of the apartments are occupied by families, often including different members of the extended family. Occasionally, there are households consisting only of sisters and brothers, aged 15 up to 30, mostly in 26 m² studios.

Lots of households employ non-related servants. The majority of them live permanently in the households; only some live outside and come to the site only for work.

Incomes

With the exception of young people who are fully supported by their families all households have at least one regular source of income out of the occupation of one or more of the household members although the income might be not high. Household incomes tend to increase with the number of household members who are either employed by private companies, or self-employed in lucrative businesses. That seems to be the reason why in many rented apartments higher incomes are found, as in owner-occupied ones at least one of the household members is a public service employee or on the staff of a public enterprise.

Self-employment in the informal sector is rare but prevails especially in big households when family members try to supplement insufficient incomes from formal occupation.

Apart from the already mentioned household groups receiving financial and non-financial support from their families (youngsters, single

women), other household types don't have any other source of income; men with regular incomes rather support their relatives living in other places.

Workplaces and schools

Workplaces are mostly located in the city centre or in southern parts of Addis Ababa and are predominantly reached by minibus taxis or by companies' service cars. The vast majority of the occupants don't have a private car.

All of the children between 7 and 14 years attend school regularly; in some cases also young servants go to school. The schools seem to split up almost equally between private and governmental and are mostly located nearby. There are very few exceptions of children going to school in other parts of the town. In these cases families have moved to Bole-Gerji during the current school year and didn't want their children to change the school before the next term.

Finishing

Few of the surveyed apartments are not finished at all; the majority are plastered, painted, having a plastic cover on the floor. High-quality designs like mosaics at the ceiling or marble tiles on the floor and in the bathroom are rare but existing. The costs of the finishing range from 2000 up to 50.000 Birr.

Some owners had the finishing done by friends or relatives in order to reduce costs; but even if

professionals were employed for plastering, painting or laying tiles there are still some problems due to poor work execution (for example pieces of plaster still crumble away and might block the sewage pipes).

Furnishing

Although some bachelors don't have their meals prepared at home, most of the kitchens are equipped with at least a kerosene cooker and often also an electric injera oven. If the latter is missing people buy injera from their neighbours or from the supermarket in the commercial building. Better-off families partly have a gas stove, which is – but only in very few cases – integrated into a fitted kitchen.

The standard equipment for living or bed-sitting rooms is a suite of sofas and a wooden cupboard, but there are also apartments with only a small table and some stools (predominantly in the unfinished units).

In these households there are no beds, only mattresses on the floor. But also most of the other sample households are not furnished with enough beds for all the household members. Servants don't have beds in any case; children may share a bed or also have only a place to sleep on the floor. Few households use double-decker beds to accommodate children or youths.

All apartments are equipped with television and radio, most of them additionally with video- or DVD-

players.

Advantages

The vast majority of the sample households state that their living conditions have been improved by moving into the condominium apartment houses. If the previous dwelling was a Kebele house people state 'bigger house' and/or 'better house' as main improvements, in some cases also 'having an own toilet'. Have people lived before in a private rented house they appreciate most of all the ownership status as well as privacy with regard to the landlord, independence, and no fear of eviction.

Ownership is valued very high even if almost all apartments are not yet paid off. Accordingly, some owners see their former payment of rents as wasted money and prefer paying monthly instalments even if they are higher.

Additionally to these advantages most of the interviewees assess Gerji as a good residential area with convenient access to schools, facilities of daily supply and transportation, and a high level of safety.

Problems

A remaining problem is the still closed and unusable communal facilities. People don't want (and are not able) to pay extra money, but some of them emphasized that they need the facilities very urgently and wouldn't have bought small apartments without the possibility

of using these external premises.

Maybe the most serious problem, though not always named directly, is the fear of decay of single apartments or blocks as well as the whole site. This is mainly due to several technical problems and perhaps also to the unfamiliarity with the building-materials.

By far the most often mentioned problems are problems with the water supply especially if people have to carry water cans into upper floors. Secondly range complaints about the sewerage and the electrical system. In this regard, some interviewees regret that 'low cost' also means 'low quality'. In some blocks the occupants face serious problems with the water or electricity supply that need not only repairing but replacing at least parts of the system. That would lead to high financial burdens which are hardly affordable in addition to the monthly payments. A big problem for the affected people seems to be that there is no one to be held responsible for the problems and their solution.

Some interviewees told that they would have preferred to purchase an already finished apartment, which would have decreased the costs for the finishing. According to their statements they would have agreed to pay a higher price for the apartment instead. On the other hand, there are some households who can hardly afford the monthly payments anyhow.

Furthermore, there were some complaints about rain water seepage through the walls for which

reason inhabitants claim rough-cast. Lots of people were also complaining about the missing arrangement of the compound and the poor condition of access roads and paths.

Some interviewees also report problems of noise (especially from neighbours walking in the apartment above, going up or down stairs, or pounding coffee), put that down to a lack of social awareness, and therefore demand generally accepted and even institutionalized rules so that living together could be simplified.

The only problem connected with living in upper floors apart from carrying heavy loads upstairs seems to be a certain – latent and maybe culturally based – mistrust of heights, manifested by mistrust of the stairs and the balustrades (which are indeed not high enough, especially with regard to playing children).

Conclusion

Apart from these problems, people are obviously quite content with their living conditions, and seem to have no serious problems with living in multi-storey houses. Most of them appreciate the condominium apartment houses as a chance to own a dwelling and accept them as a modern form of living, at least for certain periods of life.

Regina Fein, University of Bayreuth

Addis Ababa 02.04.2006

Assessment on Bole / Gerji acceptance by AAHDPO

A Study Conducted Around the Utilization of A Condominium Building By those Residents, who are dwelling at the Gerji Model Houses.

Elaborated by the Addis Ababa Housing Development Project Office, Land Preparation, Infrastructure Development and Design Department.

August 2005, Addis Ababa

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1. Introduction

Among the problems observed in the Addis Ababa City Government, one and the foremost problems is the shortage of housing. Among the 4,000,000 residents of the City of Addis Ababa, 3,000,000 are persons who are living in over crowded, old and dilapidated houses. The residents of the city have no access to basic services (like clean and potable water); and also since it is a city whereby environmental hygiene is not properly maintained, the majority of the people are encountering serious health hazards.

Transforming the dilapidated city of Addis Ababa, and making it attractive and the beautiful capital city of Africa again, is one of the major objectives of the city government of Addis Ababa. In addition to this, solving the shortage of housing within a short period of time is the one of the important objective of the city administration. In order to solve the shortage of housing observed, and therefore, in order to build 50,000 housing units every year, program of housing construction has been formulated; and to this end, a practical activity has been already started. The major objective of the program is enabling the residents of the city, who have low and medium income, owners of houses. For this purpose, the Housing Development Project Office has been established in accordance with proclamation. The Housing Development Project Office has been organized around Five Departments, Two Services and with One Agro-Stone Production Center. Likewise, similar offices have been established in all the Ten Sub Cities. It has therefore, started its activities. Among the Departments, one is the Land Preparation Infrastructure Development and Design Department. Therefore, in connection with housing construction, it is a Department, which is carrying out different activities, having been vested with numerous tasks and responsibilities. Among its tasks, one is conducting various studies and submitting the same as recommendations. Accordingly, it has studied the condition of the model-housing units built around Bole- Gerji area, and which recently were transferred to the beneficiaries. It has therefore presented the study it has conducted around the housing units. In order to implement the program, the first task is constructing housing units, which will serve as models for the construction of houses in the future. The model-housing unit selected for this purpose is the Bole-Gerji model housing construction.

The construction of the Bole-Gerji model housing units has been completed; and that, starting from the month of March 2005, the beneficiaries have started dwelling in the houses. Because the program is brand new, it has been anticipated that some defects will ensue. Hence, the purpose of this study is to indicate some of the defects observed in the Bole-Gerji model housing units, along with a recommendation. The study includes the over all comments that the beneficiaries have made about the model housing units, after they have begun living in the houses,

as well as those works which were not corrected during the construction period of the Bole- Gerji model housing units. Hence, it is a study conducted, with the view to ensuring that the defects observed in the Bole-Gerji model housing units are not repeated in those Condominium Housing Units, which will be built in the future.

In this study, a finding, which shows the identity of the beneficiaries of the Bole- Gerji model housing units, and the problems they have been encountering after they have begun living houses have been included. The magnitude of the problems and their causes has also been stated along with a recommendation. Finally, summary and comments made by professionals have also been included in the study.

2. The aim of the Study

By identifying the problems, which the residents, who are living in the 696 bole- Gerji model Condominium Housing Units and 14 commercial activities, built by GTZ/IS, and by analyzing the same, and hence, by submitting a recommendation, it is to enable to take corrective measures in the Condominium Housing Units, which will be built in the future.

3. The Methodology of the Study

In order to conduct the study, the methodology employed by the team, which conducted the study, is as follows.

- By selecting the beneficiaries, who are living in limited housing units of the Bole- Gerji Model Housing Units, through a Simple Random Sampling Technique, preparing interview questionnaires, & by disseminating the same, analyzing the responses obtained.
- Interviewing Individuals.
- Making Marks by being present at the site.
- By holding discussion with professionals, and
- By taking data obtained from documents.

4. The Scope of the Study

The study includes the beneficiaries who are living in the Bole - Gerji model houses. Whose construction has been completed & which have begun providing services.

5. Overall Feature (Historical Background)

The Bole-Gerji model housing unit is located in Bole Sub Municipality, around Gerji Area, Kebele 11. It is a village, which contains 696 condominium houses and business shops, in 28 buildings. Out of the 28 buildings, one includes houses, which will be used for commercial purpose. In addition to this, there is a traditional kitchen, sheep, goat etc slaughtering section, cloth washing basins, store and recreational areas & offices. Although the decision was made on July 17/2004, to start the implementation of the project, the work was already started 8 months ago.

The Bole - Gerji model housing unit has envisaged to be constructed, in an economical manner, to provide a suitable accommodation, and also to have happy neighboring residents. The Bole - Gerji model housing units construction plan was envisaged to be a building, which contains residential houses and commercial establishments. In addition

to this, it was envisaged to be a model for other projects, which will be carried out in the future. It is also a project, which carries out its activity, by advancing the goals and objectives of Micro and Small Scale Business Enterprises; an undertaking, whereby a culture of saving will be developed, with the view to implement the experience of various professionals; and therefore, it is a project, which will be implemented in a coordinated manner, with the view to provide infrastructure services on time. The Bole - Gerji model housing unit is located on a plot of land, whose size is 45,191 square meters. Adjacent to it, the project has also 12,000 square meters of land. The land is envisaged for the production of building materials, which will be used for the construction of the housing units. The built up area of work building rests on 47,060 square meters of land. It was built to accommodate 696 family heads. It contains studios, one-bed room houses, two bed room houses and three bedroom houses, built on various sizes. In addition to this, it has 14 commercial shops. The Bole-Gerji model-housing unit was built through the Consulting Services provided by MH Engineering Private Limited Company, through the technical support provided by GTZ/LCH, through the contractor ship of GTZ/IS, as well as the Housing Development Project office. The housing unit is owned Administered by the Housing Agency. This Agency was previously monitoring the construction of the housing project.

6. Analysis of the Data Collected

6.1. The Personal Situation of the Beneficiaries /Personality/

6.1.1. Concerning age

Age	The number of those people who gave response	Remark
From 25-30	5	
From 31-35	4	
From 36-40	10	
From 41-45	7	
From 46-50	7	
Over 50	None	
Those who did not disclose their age	21	
Total	54	

From the 696 Bole-Gerji model Condominium Housing Units, 100 persons were taken as samples for the study. Out of the 100 persons, only 54 individuals completed & returned the questionnaires. Those who completed the questionnaires are the beneficiaries, whose age ranges from 25 - 50 years. From among these, those whose age ranges from 36 - 40, are 10 in number /18.52 %/, those whose age is between 41-45 years, are 7 in number /12.96 %/, those whose age is from 46-50 are 7 in number /12.96 %/, those whose age is from 25-30 years, are 5 in number /9.26 %/, and those whose age is from 31-35 are 4 in number /7.41 %/. Those persons whose total number is 21 (38.89 %), do not want to disclose their age. What can be learnt from this is that the houses are transferred to the community through sales & that the payment will be effected on long term basis. Therefore, the beneficiaries in order to fully pay the price of the houses have sufficient age ceilings.

1.2. Regarding Gender

Sex	Number	Remark
Male	2	
Female	22	
Those who have not disclosed their sex	12	
Total	54	

Among those who filled the questionnaire 22 (40.74 %) are females. 20 (37.03 %) are males. 12 persons do not want to disclose their sex. Be this as it may this shows that the majority of the beneficiaries of the houses are women.

1.3. Concerning Size of Family

Size of Family	The number of people who gave response	Remark
1-3	12	
4-6	30	
7-9	8	
Over 9	None	
Not Disclosed	4	
Total	54	

From among the beneficiaries, who gave a response, those who have from 4-6 family members were 30 (55.56). Those who have from 1-3 family members were 12 (22.22 %). And those who have from 7-9 family members were 8 (14.81 %). There were no beneficiaries who had family members whose number was above 9. On the other hand, there were 4 persons (7.40 %) who did not disclose the size of their family. Therefore, it could be said that the majority of the residents, on the average have family members, ranging from 4-6.

1.4. Concerning Level of Education

Level of Education	The number of those People who gave a response	Remark
Literacy & Below	None	
Primary Education	8	
Secondary Education	14	
College	30	
Those who have no disclosed their educational background	2	
Total	54	

From among those beneficiaries of the Gerji model houses those who took the questionnaire and completed it, 30 persons, (55.56 %) were college graduates. 14 persons (25.93 %) were graduates of secondary school. 8 person (14.82 %) have completed primary education. 2 person (3.70 %) have not disclosed their educational background. Therefore, it could be said that the majority of those who received houses have a college level of education.

1.5. Concerning Income

Amount of Income	The number of those People who gave a response	Remark
200-500	5	
501-800	5	
801-1100	8	
1101-1400	6	
1401-1700	2	
1701-2000	5	
2001-2300	1	
2301-2500	None	
Over 2501	8	
Not disclosed	14	
Total	54	

Concerning income, from among the respondents, 18 (33.33 %) earn a monthly income of less than 1100 Birr. 13 persons (33.33%) had a monthly income, ranging Birr 1101 - 2000. Likewise, 1 person (1.85%) had a monthly salary of over Birr 2001-2300. From among the respondents, there were 8 individuals (14.81 %) whose monthly income were over 2501. Therefore, it appears that the houses were allocated to persons who had low and medium income. This is because the number of those persons who have high income was very small.

1.6. Employment Situation

Employment Situation	The number of those People who gave a response	Remark
Civil Servants	46	
Employees of Non Governmental Organization	0	
Employee of Private Business Establishment	7	
Self Employed	1	
Not Disclosed	0	
Total	54	

When the employment situation is reviewed, 46 persons (85.19%) were civil servants. The other 7 person (12.96 %) were employees of private business establishments. There was 1 person (1.85 %) who was self employed. This shows that those persons who seek and get houses are the majority of cases civil servants.

1.7. The Standard of the House, in which the Beneficiaries are Living

The Standard of the House	The number of those People who gave a response	Remark
Ground Floor	10	
1st Floor	25	
2nd Floor	10	
3rd Floor	7	
Those who have not disclosed	2	
Total	54	

From among those persons who have responded to the questionnaire, 25 persons (46.30 %) were living on the 1st floor. 10 persons (18.52%) were living on the ground floor. 10 persons (18.52%) were living on the 2nd floor. 7 persons (12.96%) were living on the 3rd floor. 2 persons (3.70%) have not responded. Accordingly, we have concluded that for the data collected the respondents who are living on the first, second and third floors are sufficient. In this connection there were no residents who had complaints because they were living on the floors of the house.

1.8. The Type of the House they are Living (No of Rooms)

The Standard of the House	The number of those People who gave a response	Remark
Studio	14	
One bed room	15	
Two bed rooms	25	
Three bed rooms	0	
Total	54	

Among those who responded, 25 persons (46.30 %) are living in the house, that has two bedrooms. 15 persons (27.78 %) are living in the house that has one bed room, and 14 persons (25.93 %) are living in the studio room of the house. In accordance with the study, there are no persons who are living in the house that has three bedrooms. This situation indicates that from the standpoint of capacity, the number of beneficiaries who want the three-bed room house could be very small. Or, even if such a house is given to the beneficiaries, it was not indicated in the study.

2. Comments Made by the Beneficiaries**2.1. Concerning House Ownership**

Among those who completed the questionnaire, that is to say, the 54 beneficiaries were asked to explain what the house they are living now, when compared with the one in which they were living previously looks like, they responded as follows: they have stated that when the house is compared with the one they were living before, the present one is better. They have also pointed out that they are well satisfied about the fact that, the house will be theirs, on the basis of long-term payment. Since, they specially used to live in a house, under a situation wherein, in the majority of case there was no personal electrical and water lines, as well as toilet room, they say that they were spared from the bickering that used to occur, whenever the electrical and water consumption bills were sent.

They had also explained that it is not convenient to keep it cleanest of the toilet room, which was used commonly.

They have pointed out that presently, they have been spared from such situations.

More than anything else, since the house belongs to them, and therefore, the fact that they have been freed from rental bickering, and also the fact there is a feeling of ownership, they say this makes the situation to be much better by itself. In addition to this, they have also stated that from the standpoint of the size of the house, and also from the standpoint of the raw material with which the house has been constructed, the present situation is much better when compared with the previous situation.

In addition to this, they have stated that, the fact they have been able to move into the Condominium housing unit, have enabled them to find the new setting to be quite convenient for social life. Also because they have been able to get a large house, with permanent address, this situation has created for their children a stable life. Also, the fact that a new modern life style has been started, and that the new setting is quite convenient for transportation & also because they have been able to save time and money, the new setting in general, has provided them with lots of advantages.

On the other hand, even though they are quite happy because the house belongs to them, the study indicates that there are persons who are unhappy, because they have moved into a Condominium housing unit. The reason why they are complaining is because, as they have stated, the house is not fully completed.

There are also other respondents who say that, since it is very recently that they have started living in the Condominium house, they have not as yet fully understood both the advantages and the disadvantages.

2.2. Concerning the sufficiency or insufficiency of the house they are living.

The majority of the respondents, 37 persons (68.5%) say that from the standpoint of the houses, they were living before, the present house is quite sufficient. On the other hand, 17 person (31.5 %) have stated that the house is not sufficient. Those who say that the house is not sufficient advance the following reasons: Especially, those who are living in studios say that the room does not have enough space. It does not have guest room, and also a space to store food provisions (materials). They have also stated that since there is no separate bedroom for the children, they are encountering difficulty especially during bedtime. Others have stated that the rooms have not enough space. They also say the arrangement of the doors of the house is not very attractive.

3. Tasks Carried Out To Identify the Problems.

In order to know the problems encountered as the Bole- Gerji model-housing units, an effort has been made using various methods. It has been possible to obtain useful information from all bodies, regarding the problems that are being observed presently. The problems have been detailed in the following manner.

3.1. Concerning Drainage Works

- The pipe fittings are not very tight. The drainage system is not built properly. Dirty water from the toilet room and kitchen flow back in to the rooms. Also dirty water leaks & seeps from the upper house to the lower houses. This situation has created a serious problem for the residents.
- The drainage pipes are visibly seen inside the rooms. Therefore, not only this situation deprives the rooms of beauty, but also has over crowded the room.

- The window glasses are not correctly fitted. Therefore, since rainwater enters into the room through the window, this situation is creating a problem both inside the bedrooms and also in the living room.
- Since the external wall has not been plastered, during the rain, water leaks inside the room, and is making the room very cold.
- Since there is no water tank, and therefore, when the flow of water is interrupted, a shortage of water encountered.

3.2. Concerning Toilet Room

- Since the drainage system of the toilet room has not been built on the basis of proper water level, the water flows back into the room.
- The septic tank is always full. Therefore, since the waste flows back into the room, this situation has created a health hazard.
- Since the toilet room fittings were not properly fixed, and therefore since they malfunction periodically, this situation has created a problem.
- Since there is no alternative toilet room, especially during period when the water flow discontinued, and therefore, in connection with this problems are created from time to time.
- Since there is no a cloth washing basin, it has not been possible to wash cloths.

3.3. Concerning Electrical Lines

- Problems are being observed around the installation of electrical lines. As a result of this the light is not operational. Also the sockets & switches do not always function. This has created a serious problem.
- Since the electric wire installed is not suitable for the ovens, and therefore, it has not been possible to bake Enjera.
- Since there is no common light on the staircase, it has been very difficult to come out from the house and also to enter the house during darkness.

3.4. Concerning roof leakage

- Since the corrugated sheet which covers the rooms has holes, and therefore, during the rain, water leaks and seeps into the room. This situation has created a problem.
- Water seeps and leaks from the roof pipe, and gutter and down pipe into the Verandah and into the house. These are some of the observed problems.

3.5. Concerning Other Problems



A. The Verandah support was built in hollow concrete blocks. Therefore, since the hollow concrete blocks can easily fall part, it requires iron bar reinforcement.



B. Since the windows do not have grill they are easily exposed to thieves



C. Since the staircase Veranda is common and therefore, using the Veranda the residents cross over somebody else's house. This in turn has created a problem.



D. Pedestrian passage ways are not built

- E. Since the vent pipe is connected with the wall and therefore, since it has not extend to the exterior part it is causing a very bad odor.
- F. The noise that comes from next door disturbs the other people next door.

4. Problems Created by the Beneficiaries Themselves

When the houses were given to the beneficiaries, it was understood that both to make a modification on the house and to undertake additional construction, it is necessary that the comment of professionals and the approval of the housing agency should be obtained. However, some beneficiaries, without taking this obligation into consideration, are making modification on the houses, and also are undertaking construction. While the majority of the modifications are encouraging and thus they are worth supporting, some however, create problem not only on the building, but also on neighboring residents as well.

A. Floor and Roof Work



B. Kitchen Sink Work





C. Closing the Veranda Passage Way Completely with hollow concrete block Wall



D. Constructing Metal Grill on the Verandah Support



E. A Verandah Grill



F. Making a Metal Grill on the Window

G. Erecting TV Dish on the Verandah



H. Erecting TV Dish on the Staircase



I. By throwing solid waste on the Green areas, making the surroundings quite dirty.



J. Since there is no space to dry washed clothing's, the residents' sun hung dry cloths on the Verandah. This situation has created a problem for the beneficiaries either to go out from their houses or to enter their houses.



- K. There are site works, which have not been completed.
- L. Those residents who are living on the higher floors throw solid waste in to the lower floors. This has created an environmental hygiene problem.
- M. Making a hole on the inside partition walls. This has caused the wall to crack and to fall.
- N. Drilling the floor, plastering it & also putting tiles on it.
- O. Grinding coffee on the upper floor.

5. Problems Pointed Out By Professionals

The professionals of the Construction, Site Preparation and Infrastructure Development And Design Department, being present in person at the Bole-Gerji model-housing unit, have observed the problem that exists, and have given the following professional comment.

5.1. Sanitary Works

- The septic tanks built for the accumulation of waste, before they begin providing services were filled with water and waste. Therefore, the beneficiaries are not in a position to use the toilets.
- The internal potable water lines control gate valves are not fixed with the respective sanitary items. Therefore, since the water line installed does not function properly, water seeps and leaks. In addition to this, before the residents begin to use water, the water reading gauges record the usage of water. Due to the wastage of water, in some buildings there is no water at all.
- Water line was not installed properly. There is a problem of seepage and leakage.
- Concerning the ceiling drainage and rain water pipe, some ceiling corrugated iron sheets have holes, and are damaged, and therefore, they create a drainage problem.
- The rain water pipe & down pipe have not been properly installed. Therefore since there is a welding problem they seep & flow water.
- The drainage lines and tubes are broken. Some of them are blocked; the drainage does not flow properly.
- The toilet room found in some houses have a soffit slab therefore, when the residents who is living in the upper floor use water there is a problem of water seepage and leakage for the resident who is living in the lower floors. This has caused the plastering of soffit slab to be peeled off.
- In general, after the contractor has completed the work on the site has not carried out a site clearing activity and therefore, since the various metal cuts, stones, soil and corrugated sheets were not removed from the compound, the site has not been cleared of such waste.

5.1.1. The Causes of the Problems

- When the contractor was undertaking the construction work of the building, there was no sufficient and reliable quality control work carried out on the part of the owner or the consulting engineer.
- In some sites the contractor did not carry out this construction work on the basis of the design given to him. Also some of the building materials, which he has used for the construction of the building, did not have the requisite quality standard. In general, there were problem related with supervision & mode of construction.
- Especially, before the houses were distributed to the beneficiaries, and therefore, before a final acceptance was made, the contractor, the owner and the consulting engineer did not identify the major defects, which the contractor should correct on the basis of the provisional acceptance, made. Therefore, since the contractor was not obliged to make the necessary corrections, on the defect observed, the problems which were identified were the end results of such errors.

5.2. Electrical Works

- The distribution pillars occasionally are placed in hap hazardous manner. And therefore, certain problems are observed in the over all grounding system.
- The electrical line installed in each house and therefore, the fact that what has been installed outside and the distribution terminal is a function box has exposed it to danger. This has also reduced the esthetic beauty of the building.
- Since water flows in the various water points in the building, and also since a construction activity is being carried out in some houses, situations which can cause danger to the electric pile lines as well as water seepage are being observed.

5.2.1. Causes of the Problem

- The constructions activities are being carried out inside the compound are not completed. In addition to this since it has not been possible to identifying the location of electrical lines, heavy-duty trucks are being driven on them.
- The contractor who has carried out the construction of the houses, when he placed controlling breakers he has not taken into consideration some of the engineering methods, which should have been included. So without taking into consideration such matters he had begun the construction process.
- Before the residents moved into the building, and when a provisional acceptance was made, testing and commissioning was not carried out. Therefore, the problems observed on the main are results of such errors.

5.3. Comments Made by Professionals & Measures that should be taken to solve the problems observed

5.3.1. Sanitary Works

- Concerning Waste Accumulation Septic Tanks.
- As regards waste accumulation septic tanks, being related with the location of the site, they have to be built, after their heights has been raised to some extent. Especially they have to be built in a manner whereby street sewerage does not flow into them. The manhole cover should be built in a proper manner. They have to be

waterproof. It is also necessary to study road and drainage work in a proper manner, and thereafter to carry out the construction of the building.

- Seeking ways and means to dig temporary latrine for the community and until the problem of the toilet rooms has been solved once and for all, provide the community with a dry latrine.
- Concerning Internal Potable Water Lines
- The line controlling gate valves water reading meters should be built in the proper manner and in accordance with the design and specification.
- In order to ensure that the water lines installed function properly and that no circumstance that they should leak water.
- For this purpose, it is proper for the contractor to undertake testing for each sanitary item by releasing water.
- Concerning Internal Drainage Lines
- By identifying those, which have problems of installation, in accordance with specification and design, taking a corrective measure.
- By using sanitary pipes and mastich, which have the requisite quality standard undertaking a corrective measures.
- Concerning roof and Slab Leakage
- Ordering the contractor to replace corrugated iron sheet which are torn apart.
- Concerning waterline and gutter and down pipe, identifying that have problems, and ordering the contractor to replace them. In this respect it is very important to make sure that the welding work is up to the standard & maintains the requisite standard.
- Concerning Drainage Lines and Tubes
- The major reason for the occurrence of the problem is that when a site access way was carried, out no proper care was taken. Therefore, it is necessary to identify in a proper manner those lines, which were broken cracked and covered by vehicles and machines. Therefore, it is necessary to order the contractor to take a corrective measure and to ensure that drainage lines and tubes installed should be put to use for the objective envisaged.
- Concerning the Soffit Slab Leakage
- Covering the floor with finishing materials like Terrazzo, Plastic Tiles etc, would provide a solution to the problem. For future constructions it is necessary to cover the floors with tiles.
- During the period when reinforcement concrete work is carried out, it is necessary to ensure that the work has the requisite quality standard. Also in order to ensure that there is no workmanship problem and also leakage and seepage of water from top to bottom does not occur, and therefore in this respect the consulting engineer must take a proper step.
- Concerning Wall Plastering
- In order prevent the water seepage on the wall & therefore, to ensure the aesthetic beauty of the building and to lengthen the age of the wall it is necessary to undertake a proper plastering activity in the buildings, which will be constructed in the future.
- Concerning Site Clearing
- Before the contractor goes away from the compound, after he has completed his work, he must undertake a site clearing activity.
- In general, before the retention money has been fully paid to the contractor, it is necessary to minimize the problem of the community, by correcting the problems listed above.

5.3.2. Electrical Works

- In the first place the employer and the contractor who has carried out the work must conclude a final acceptance agreement. When they make the final acceptance they must ensure that the work is carried out in ac-

cordance with the design and specification given. Therefore, if there are works carried outside of design, there has to be as built drawing. On the other hand since heavy-duty trucks damaged the electrical power line pile installed by the Ethiopian Electric Power Corporation, it is necessary to hold discussion with EELPA with the view to replace the electric power line pile.

- Since the power distribution pillars, which have been placed in the respective blocks, are not placed with proper care it is necessary to have the grounding system function fully.
- It is observed that some beneficiaries in addition to the electrical line installed on the basis of the design, they have installed their own electrical line. Since on account of this, the control system kept for them could be beyond the capacity of the control system given to them originally. Hence, it may destabilize the power system that exists in the compound. Therefore, any beneficiary before he/she installs electric line, by holding a discussion with the professional of the project office must facilities situation with the view to find solution.
- It will be much better if the electrical lines installed on the body of the building to be installed in a situation where they will not be visible and with a proper care.

6. Summary and Recommendation

After the construction of the Bole-Gerji model-housing units was completed, it has been learnt that the project has solved the residential housing problems of numerous sectors of the community. As it was confirmed from the information obtained from the study, from the standpoint of the houses in which 70% of the community used to live in previously, they have stated that the condominium houses are sufficient for residential purposes. This situation indicates that the residences are very good, and that the government or the city administration needs to facilitate situations, whereby condominium houses would be built in the future, in an extensive manner. Nevertheless, some comments have been made which point out some improvements, which needs to be made. From among the comments given, it is suggested that it would be good, if there is an metal grills on the glass doors and windows of the houses. Also it would be good, if iron reinforcement bars are made to the balcony, Verandas and Corridors, and also if the external part of the buildings were plastered. Also it would be good if the drainage lines were put inside the wall of the building. Also it would be good if the septic tanks and water storage tankers were to be built in a manner suitable for the respective villages. Therefore, if such improvements were made, it is concluded that it is possible to upgrade the quality of the houses, and also to make the houses very suitable for the residents. Likewise, as regards the internal doors of the houses, the beneficiaries themselves replace the majority of them. Therefore, before the internal doors are fixed, it would be necessary to facilitate situation with the view to make final acceptance with the contractor.

Making the suggestions given as a basis, the Project Office, with the view to have the suggestions mentioned above to be included in those Condominium houses whose constructions have not been completed, & which are envisaged to be constructed in the future, it is making a design and construction improvements & also taking corrective measures.

Finally, as it can be learnt from the information obtained from the study, and also from the comment given by the professionals, during the period when the construction of Condominium houses is being carried out, a strong follow up and control must be made by the consulting engineer, to ensure that the contractors who carry out the construction activity carry out a building construction activity that has the requisite quality standard. In addition to this, when the contractors complete the construction, it is necessary to make provisional and final acceptance agreement. Before the houses are allocated to the beneficiaries, a site work activity must be completed. In addition to this, it is proper to create an enabling environment, which ensures that the beneficiaries obtain education in advance, with the view to maintain both their personal and environmental hygiene. On the other hand, the residents, with the view to advance their own personal interest, and therefore, without the authorization of the Project Office and Professionals, they are

undertaking additional work, beyond the capacity and the design allowed for the houses. Therefore, there are situations, which indicate that the beneficiaries, by digging holes are undermining the walls, which shoulder the houses. Therefore, situations must be facilitated in advance, with the view that the Project Office and the Housing Agency are making the necessary control and supervision.





FEDERAL NEGARIT GAZETA

PROCLAMATION NO. 370/2003

CONDOMINIUM PROCLAMATION

WHEREAS, it is deemed necessary to implement other alternatives of urban land use in addition to plots basis urban land use to narrow the imbalance between the demand for any supply of housing;

WHEREAS, is recognized that the allocation of urban land to a high rise or a row of houses condominium building will contribute to maintain the beauty of the urban areas and to the improvement of urban land use and supply of housing through making great number of people benefit and commonly old a small size of urban land;

WHEREAS, it is essential to the development of condominium to create favorable conditions, to private developers and co-operatives, which have a major contributions towards the development of condominium and also to purchase of units and to all others, which have a right, related to the condominium;

NOW, THEREFORE, in accordance with Article 55 Sub Article (1) of the Federal Democratic Republic of Ethiopia it is here by proclaimed as follows:

PART ONE

GENERAL

1. SHORT TITLE

This Proclamation may be cited as the “Condominium Proclamation No. 370/2003”

2. DEFINITION

In this Proclamation:

- 1) “Condominium” means a building for residential or other purpose with five or more separately owned units and common elements, in a high-rise building or in a row of houses, and includes the land holding of the building,
- 2) “Common elements” means all that are part of the condominium except the units,
- 3) “Common expense” means any expense related to the performance of the objectives and duties of unit owners association and any expenses specified as common expenses in this proclamation or in a declaration,
- 4) “Common surplus” means the excess of all receipts of the owners association over the expenses of the association,
- 5) “Declarant” means any one who registers a building under Art. 3 of this proclamation.
- 6) “Declaration” means an instrument that describes the rights and obligation of the unit owners association and of each unit owner and includes any amendments thereto,
- 7) “Description” means an instrument that specifies the name and location of the condominium, the boundaries of units and of common elements, and includes all amendments thereto,
- 8) “Limited common elements” means common elements designated for the exclusive use of only one or some of the units,

Condominium proclamation (federal level)

(continued)

9) “Unit owners Association” means an association of unit owners instituted under this proclamation,

10) “Person” means natural or legal person,

11) “Registrar” means an office assigned to register a condominium in accordance with this proclamation,

12) “Unit” means a part of the building consisting one or more rooms and designated for a specific purpose in a declaration and description,

3. SCOPE OF APPLICATION

This Proclamation shall apply on Addis Ababa and Dire Dawa City Administration.

6. EFFECT OF REGISTRATION

1) The building together with the land holding and related rights benefits and obligations shall be governed by this Proclamation.

2) The building in the description shall be divided into units and common elements.

3) A unit owners association shall be instituted as an independent legal person.

7. AMENDMENT TO DECLARATION DESCRIPTION BY-LAWS AND RULES

1) The amendment of declaration description by-laws and rules shall be approved by a 2/3rd majority vote of unit owners.

2) The amendment of declaration description by-laws and rules approved by unit owners shall be effective only upon registration and issuance of certificate thereof.

PART TWO

REGISTRATION AND CERTIFICATE

4. REGISTRATION OF CONDOMINIUM

1) Subject to provisions of this Proclamation, a building may be registered as a condominium when the owners or their agents submit written application declaring the intention that the building be governed under this Proclamation together with a declaration; description, by-laws, and rules.

2) The contents of declaration, description by-law and rules shall be determined by the Regulations issued to implement this Proclamation.

3) The declaration description by laws and rules shall be approved and registered by the registrar.

5. CERTIFICATE OF REGISTRATION

Certificate of registration shall be issued for the declarant where the building is registered under this Proclamation.

PART THREE

OWNERSHIP

8. UNIT OWNERSHIP

1) Subject to this Proclamation a unit owner is entitled to ownership right upon the unit.

2) A unit of a building registered under this Proclamation may be subject of any legal transaction.

9. COMMON ELEMENTS

1) Subject to the restrictions in this Proclamation, the declaration, description by-law and rules any unit owner shall have the right to properly use the common elements.

2) The right to use common elements is undivided and attached to the unit ownership.

3) The percentage of the undivided share of

interest in the common elements attached to the unit ownership shall be determined in the declaration.

- 4) The percentage of the undivided interest in the common elements shall be a part of the unit ownership and any legal act on a unit shall also be effective upon the undivided share of interest.
- 5) Unless otherwise provided in this Proclamation common elements are not divisible.

PART FOUR

UNIT OWNERS ASSOCIATION

10. THE ASSOCIATION

The unit owners association is an association established with a view to obtaining mutual benefits other than securing or sharing of profits.

11. OBJECTIVES

The unit owners association shall have the following objectives:

- 1) Manage the condominium on behalf of unit owners;
- 2) Ensure the peace and security of residents in the Condominium;
- 3) Ensure that unit owners, occupiers of units, lessees of the common elements comply with this Proclamation, declaration, description, by-laws and rules;
- 4) Perform other necessary activities in the interest of unit owners mutual benefit.

12. MEMBERSHIP

Every unit owner in a condominium shall be a member of the respective unit owners association.

13. POWERS AND DUTIES OF THE ASSOCIATION

The unit owners association shall have the following powers and duties:

- 1) Adopt or amend the declaration description by-laws and rules.
- 2) Approve budgets and amendments thereto;
- 3) Determine the conditions on the use of common elements;
- 4) Lease, subject to security and transfer the common elements;
- 5) Determine fines, fees and contributions;
- 6) Hire, administer fire employees;
- 7) Own, subject to security and transfer property;
- 8) Enter into contracts, to sue or be sued.

14. POWERS AND DUTIES OF THE GENERAL MEETINGS

The unit owners general meeting shall have the following powers and duties:

- 1) Approve the declaration, description and amendments thereto;
- 2) Approve the by-laws and rules, and amendments thereto;
- 3) Elect and remove members of the board of directors;
- 4) Hear and decide on activity and audit reports of the association;
- 5) Decide on amalgamation of the unit owners association with other unit owners associations and on termination of the condominium to be administered this Proclamation
- 6) Approve the annual plan and budget;

- 7) Decide on such other matters as may be presented by the board of directors.

15. MEETING OF UNIT OWNERS

- 1) The unit owners association shall hold annual general meeting.
- 2) The unit owners association shall hold their meetings as may be called by the board of directors.
- 3) A general meeting shall be called by the board of directors where owners of 25% of the units request for general meetings.
- 4) There shall be a quorum in any general meeting where owners who own 50% + 1 (fifty per cent plus one) and above of the units are present.
- 5) Unit owners may cast vote personally or by proxy.
- 6) Unless otherwise provided in this Proclamation all matters proposed for the consideration of the unit owners shall be decided by majority votes of owners,

16. BOARD OF DIRECTORS

- 1) The board of directors is the managerial organ of unit owners association.
- 2) Provided that declarant may assign the first board of directors, the unit owners shall, from among the unit owners, elect the directors

17. THE FIRST BOARD OF DIRECTORS

- 1) The declarant shall designate the first board of directors after registration of condominium under this Proclamation.
- 2) Unit owners may elect additional members to the first board of directors or elect members for a succeeding board of directors.
- 3) The period of election under this Article, and

the transitions of powers between the first board of directors and the succeeding board of directors shall be determined by regulations to be issued under this Proclamation.

18. POWERS AND DUTIES OF BOARD OF DIRECTORS

- 1) Call the unit owners' General meeting under this Proclamation and keep minutes;
- 2) Prepare amendments for the declaration, description, by-law and rules and implement it upon approval;
- 3) Prepare annual plans and the budget and implement it upon approval;
- 4) Keep the records and accounts of the association;
- 5) Implement the decisions of the general meetings of unit owners;
- 6) Submit reports on the activities of the association to the general meetings;
- 7) Perform such other duties as may be assigned by the general meetings.

19. BY-LAWS AND RULES

The unit owners association shall have by-laws and rules.

20. AUDITOR

- 1) Unit owners association shall have auditors.
- 2) The appointment, number, qualification, duties and dismissal of on auditors shall be determined by regulation.

PART FIVE

SALE AND LEASE OF A UNIT

21. SALE BY THE DECLARANT

- 1) The declarant may conclude the contract of sale of a unit before or after registration of the building.
- 2) The declarant shall deliver a disclosure document to every person who purchases a unit from the declarant before or after the registration of the building.
- 3) The contract of sale shall not bind the purchaser until the declarant delivers him disclosure document.
- 4) A purchaser who received a disclosure document may, before transfer of ownership, cancel the contract of sale and notify in writing the cancellation of the contract to the declarant.
- 5) The declarant shall deliver the purchaser an amended disclosure document whenever there is a material change in matters declared in the disclosure document. The purchaser who received an amended disclosure or who discovered a material change may notify in writing the declarant the cancellation of the contract.
- 6) A declarant who entered into a contract of sale of a unit before the registration of the building shall complete construction and register the building without delay.

22. LEASE OF A UNIT

- 1) The owner of a unit who leases or renews lease of a unit shall notify to the unit owners association the contract thereto, and shall provide a copy of the contract of lease or renewal.
- 2) The owner of a unit shall notify the unit owners association the termination of the contract of lease and provided the relevant document that evidence the termination.

- 3) The owner of a unit who leases a unit shall provide the lessee with a copy of the declaration and description, by-laws and rules of the condominium.

23. INTERIM OCCUPANCY

The contract of sale of a unit may provide the occupancy of a unit by the purchaser before registration of the building and transfer of ownership and may determine the occupancy fee to be paid by the purchaser and the duties of the declarant during interim occupancy.

PART SIX

COMMON EXPENSES AND SURPLUS

24. CONTRIBUTION BY OWNERS

- 1) Without prejudice to other provisions of this Proclamation unit owners shall contribute to cover common expenses in proportion to their undivided interest in the common elements.
- 2) Sub Article 1 of this Article shall be applicable even if, the owner has waived the right to use the common elements or he has a claim against unit owners association or the declaration, by-laws and rules restrict him from using the common elements.

25. THE RIGHT TO LIEN

- 1) The unit owners' association shall have lien right in proportion to the unpaid common expense against the owner's unit and appurtenant common interest. The amount needed from the unit owner shall include interest on and expenses due to the delay of the payment of common expenses.
- 2) The unit owners association must in accordance with this proclamation obtain a certificate evidencing its right of lien within three

months period, beginning from the default.

to a unit.

- 3) A lien right not registered with in the period fixed under Sub Article 2 of this Article shall have no effect after the lapse of the three months period.
- 4) The certificate evidencing the right to lien shall specify the defaulted amount and the expenses incurred by the association to recover the payment from the unit owner.
- 5) The unit owners association shall give 15 days notice to the concerned owners before the registration of the lien.
- 6) The unit owners' association shall cause the registration of payment and give a testimonial to the owner who paid the defaulted contribution under this Article.
- 7) The right to lien of the unit owners association under this Article shall have priority over registered or not registered rights except tax and duties of the government.

- c. For the purpose of this proclamation improvements to a unit shall be determined in accordance with the standard set in the declaration to which a particular unit belong.
- d. Notwithstanding Sub-Article 1(b) of this Article, the unit owners association shall have a responsibility to repair improvements made to a unit before the registration of the building.

2) Maintenance

- a. The unit owners association shall have a responsibility to maintain common elements
- b. Each unit owners shall have a responsibility to maintain the a unit.
- c. Each unit owners shall have a responsibility to maintain the limited common element reserved for their exclusive use.
- d. The responsibility of maintenance shall mean wear and tear caused by normal use or old age.

26. COMMON SURPLUS

- 1) The common Surplus obtained by the unit owners association shall be used to cover common expenses or shall be deposited in the reserve fund.
- 2) Common profit shall not be divided among unit owners except upon the dissolution of the association.

3) Maintenance for the unit of owners

- a. The unit owners association may maintain a common element or a unit, which a unit owner is responsible but failed to maintain with in a reasonable period of time.
- b. The cost of the maintenance done under this Sub Article by the unit owners association shall be added to the contributions of the defaulting unit owner to the common expenses.

27. REPAIR AND MAINTENANCE

- 1) Repair of damage caused by accident:
 - a. The unit owners association shall repair units, common elements and the assets of the association damaged by accident.
 - b. Repair of damage caused by accident shall include repairing and replacing the damaged part. But it does not include repairing the damage caused to improvements made

28. RESERVED FUND

- 1) The unit owners' association shall establish a reserve fund for repair and maintenance and may use it where necessary.

- 2) The unit owner's association shall collect contribution from owners for the reserve fund.
- 3) The Reserve Fund Under this article shall be the property of the unit owners association. An it shall not be divided among members except under this proclamation.

PART SEVEN

AMALGAMATION OF ASSOCIATION

29. REGISTRATION

- 1) Without prejudice to the provisions of this proclamation two or more unit owners associations may amalgamate by registering with the registrar the Declaration, description, by-laws and rules for the amalgamated association.
- 2) The registrar must ensure the decision for amalgamation is ratified by 80% of unit owners of each association and is signed by duly authorized representatives of each association.
- 3) The amalgamated declaration, description, by-laws and rules shall be presented and approved by the general meeting held to decide on amalgamation.
- 4) The last year audit report of the amalgamating unit owners associations shall also be notified to members of each association at a meeting mentioned under Sub Article 3.

30. EFFECT OF REGISTRATION

- 1) The associations are amalgamated and one amalgamated association shall be established.
- 2) The units and common elements before the amalgamation association shall be units and common elements of the amalgamated association.
- 3) The declaration, description, by laws and rules of each amalgamated association shall cease

to apply.

- 4) Without prejudice to Article 31 of this proclamation, directors of each amalgamated association shall together constitute the first directors of the amalgamated association.
- 5) The members of the amalgamated association shall designate one or more auditors serving until election is held under Article 31 of this proclamation.
- 6) The declaration, description, by laws and rules approved and registered under Article 29 of this proclamation shall be the declaration, description, by laws and rules of the amalgamating association.
- 7) The rights and duties of the (each) amalgamated association shall be transferred to the amalgamated association.

31. ELECTION OF DIRECTORS AND AUDITORS

The general meeting of the amalgamated association shall, within 90 days of registration of the declaration, description, by-laws and rules of the amalgamated association elect members of the board of directors and designate auditors.

PART EIGHT

TERMINATION OF CONDOMINIUM TO BE

GOVERNED UNDER THIS PROCLAMATION

32. CONSENT OF UNIT OWNERS

The association shall notify in writing to the registrar if 80% of the owners vote for termination of the condominium to be governed under this proclamation.

33. SUBSTANTIAL DAMAGE

- 1) Whenever the board of directors decides there is substantial damage to the building it must submit the matter to the general meeting and the later shall decide on the extent of the damage and whether to terminate the condominium to be governed by this proclamation.
- 2) The board shall notify the registrar if 80% of the owners vote for termination of the condominium to be governed by this proclamation in the general meeting held under Sub Article 1 of this Article.
- 3) The board must repair the damage if the unit owners do not vote in favor of the termination of the condominium to be the governed by this proclamation by a majority determined by this Article.

34. SALE

- 1) If the condominium or part of the common element is sold, this proclamation shall cease to govern the respective condominium or common element thereof.
- 2) To make a sale under this Article, the association shall obtain.
 - a. 80% vote of unit owners in favor of sale, and
 - b. Consent expressed in writing of each unit owners to whom the limited common elements are designated where the sale includes limited common elements

35. EXPROPRIATION FOR PUBLIC INTEREST

A condominium or a common element expropriated for public interest shall cease to be governed by this proclamation.

36. PROCEEDS AND COMPENSATION

- 1) The unit owners shall share the proceeds of sale or compensation received for condominium or common elements sold or expropriated

under Article 34 and 35 of this proclamation, in the common element.

- 2) Notwithstanding Sub-article 1 of this Article the proceeds of sale of limited common elements shall be divided among owners, to whom it is designated.

37. REGISTRATION

- 1) The registrar shall examine the notice under Article 32 and Article 33 of this proclamation and shall register and deliver a certificate.
- 2) This proclamation and other laws enacted to implement this proclamation shall cases to govern the condominium up on the delivery of the certificate.

38. DISTRIBUTION OF ASSETS

When the condominium ceases to be governed by this proclamation,

- 1) The asset of the association shall be used to pay the debts of the association and
- 2) The remaining shall be divided among the owners in proportion to their common interest.

PART NINE

Co-operatives' Condominium

39. ESTABLISHMENT

Co-operatives may be established for the purpose of building a condominium.

40. APPLICABILITY OF CO-OPERATIVE SOCIETIES PROCLAMATION NO. 147/1999

- 1) The co-operatives proclamation No. 147/98 shall be applicable on co-operatives established for the purpose of building a condominium.
- 2) The management committee of the co-opera-

tive shall up on co-operatives established for the purpose of building a condominium up on registration under this proclamation.

41. REGISTRATION OF THE BUILDING

- 1) The management committee of the co-operative shall up on completion of construction, register the building under this proclamation.
- 2) The management committee, which registers the building under this Article shall become the first board of directors and shall have the powers and duties of the board under this proclamation.
- 3) The control committee under proclamation No. 147/98 shall be an auditor under this proclamation.
- 4) The unit owners may elect a new board of directors and designate auditor within 90 days from registration of the building.

PART TEN

MISCELLANEOUS

42. POWER TO ISSUE REGULATION

The City Administrator may issue Regulation necessary for the implementation of this proclamation.

43. APPLICABILITY OF OTHER LAWS

- 1) Articles 1281 to Article 1308 of the 1960 civil code of Ethiopia shall not be applicable on a condominium governed under this proclamation.
- 2) Any law, custom or practice shall not be applicable on matters dealt with under this proclamation.

44. EFFECTIVE DATE

This Proclamation shall enter into force on date of its publication in the Negarit Gazeta.

Done at Addis Ababa, this 11th day of September, 2003

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA

ADDIS NEGARI GAZETA

REGULATION NO/2004

THE ADDIS ABABA CITY GOVERNMENT

CONDOMINIUM REGULATIONS

WHERE AS, The House of Peoples Representative of the Federal Democratic Republic of Ethiopia has issued Condominium Proclamation No. 370/2003 having taken cognizance of the need for implementing other urban land use alternatives side by side with dividing urban land by plots for individuals with a view to minimize the gap between house supply and house demand in urban areas:

WHERE AS, The City Government is authorized under Article 42 of the Proclamation to issue regulations for the implementation of the Proclamation;

NOW, THEREFORE, in accordance with Article 14/2/(b) of the Revised Charter of the Addis Ababa City Government Proclamation No. 361/2003 and Article 42 of the Condominium Proclamation No. 370/2003 the Provisional Government of the City issued these regulations.

1. Short Title

Those regulations may be cited as The “Addis Ababa City Government Condominium Regulations No. 13/2004.”

2. Definitions

In these regulations:

- 1) “Condominium” means a high rising building , building of a row of houses including the land possession of the building and consisting of five or more units intended for private ownership and common elements intended for joint ownership.
- 2) “Common elements” means is any part of the building outside of the privately owned parts:
- 3) “Common Expense” means any expense made to carry out the purpose and duty of the owners association as well as any expense mentioned as a common expense in the declaration;
- 4) “Common Profit” means an amount available by reducing common expenses from income collected by the owners association:
- 5) “Unit Owners Association” means an association of unit owners established in accordance with the proclamation.
- 6) “Declaration” means a document defining the rights and duties of home owners association and unit owners and it includes any amendment to the document;
- 7) “Description” means a document containing the name and address of the common condominium, the boundary of the units and the common elements as well as the units in the common elements and it includes any amendment to the document;
- 8) “Unit” means part of a condominium contain-

- ing a single or more rooms and allocated for a specific purpose in the declaration;
- 9) “Authority” means the Addis Abba City Government Land Administration authority;
- 10) “Limited Common Element” means parts of the common element of the condominium allocated for the exclusive use of a single unit or more units;
- 11) “Declarant” means any person who registers a building in accordance with Article 4 of the Proclamation;
- 12) “Person: means any physical or juridical person;
- 13) “Government” means the Addis Ababa City Government;
- 14) “Proclamation” means Condominium Proclamation No. 370/2003;
- 15) “Association” means Unit Owners Association established in accordance with the Proclamation.
- 16) “Registrar” means an office assigned to register a condominium in accordance with the proclamation.
- b. An executive committee of a condominium cooperative formed in accordance with the Proclamation or an executive committee of owners association of a fully constructed building may request registration
- 3) The Land Administration Authority shall register and issue a certificate of registration of a building in accordance with Article 4 and 5 of the Proclamation.
- 4) Without prejudice to the provisions of the proclamation, the declarant under these regulations shall submit:
- a. Land possession certificate for the land occupied by the building;
- b. Construction license issued for the building;
- c. Certificate of personality for condominium cooperatives;
- d. Declaration, description, any law and rules of a proposed building, which is either approved by unit owners or prepared by the declarant and shall come into force upon the registration of the building;
- e. A document evidencing the entitlement power or authorization of the declarant to request registration under the Proclamation and these regulations;

3. Registration of Condominium

- 1) Person intending to register a building in accordance with the Proclamation shall submit a written application of registration to the registrar.
- 2) One of the following shall be capable to have the condominium registered:
- a. An owner or owners of a building or a person specially authorized to request registration; or
- f. A minute showing both the authorization by the unit owners for the registration of the building in accordance with the Proclamation and these regulations, and the approval of the declaration, descriptions, and laws and rules by the unit owners.

4. The Content of Declaration and Description

- 1) A declaration submitted under Sub-article 4 of

Article 3 these regulations shall show or contain the following details;

- a. The land possession of the building and description of the certificate for locality;
- b. The form of land occupation (lease or use right);
- c. The period of the lease contract, if any;
- d. The number of floors and basement of a rising building;
- e. The designations of a building (code or number) and the land possession of the building;
- f. List of the common elements;
- g. Description of entrances and exit places;
- h. List of limited common elements;
- i. The list of units, the standard and space coverage of units, the designation number of each unit and the name of the owner of each unit;
- j. The list of units, the standard and space coverage of units, the designation number of each unit and the name of the owner of each unit;
- k. The list of the parts of building that constitutes a unit in accordance with the structural plan of the building;
- l. The percentage of undivided interest of each unit on common elements;
- m. The working address of unit owners association to be formed in accordance with the proclamation;
- n. List of common expenses;
- o. Limitations and conditions of the use and

occupation of units and common elements;

- p. Limitations and conditions on the transfer of units and common elements by gift, rent or sale and
- q. With out prejudice to Article 13 of the Proclamation, the list of the duties of the unit owners association.

1) A description submitted in accordance with Article 3 and 4 of these regulations shall show or contain the following details;

- a. A site plan showing the land possession and the floor coverage of the building;
- b. A drawing, the structure of each unit and position of a unit vis a vis other units and a description of the boundary of each unit in the building; and
- c. The structural plan and architectural plan of the building.

1) The Authority may prepare a format of declaration and description and cause to implement same;

2) The Authority may specify other details of the declaration and the description than those specified in these regulations through issuing a directive.

5. Certificate or Registration

1) The authority shall certify the fulfillment of the requirements in the Proclamation and these regulations where a petition for registration of a building is submitted to it.

2) The authority shall, where the requirements for registration are not met, give a written notice to the declarant specifying the unfulfilled requirements within fifteen working days.

- 3) The authority shall, where the requirements for registrations are met, give certificate of registration for the declarant within three working days.
 - 4) The authority shall maintain a permanent record for registration of condominiums which are given certificate of registration
 - 5) The certificate of registration given to the declarant under these regulations shall specify the following particulars:
 - a. The name and designation number of the building;
 - b. Declaration and description as well as the fulfillment of the requirements in the Proclamation and in these regulations;
 - c. The fulfillment of the requirements in the Proclamation and these regulations by the laws and rules submitted under these regulations;
 - d. Signature and name of a responsible person who confirmed the legality of the certificate;
 - e. The seal of the issuing authority of the certificate; and
 - f. Other details required by a directive issued by the authority.
- lars;
- a. The name of the unit owners;
 - b. The location of the unit in the building, the number of the basement or floor;
 - c. The number of the rooms of the unit, the area coverage of the floor and a percentage of undivided interest in the common element;
 - d. The limited common element allocated for the exclusive use of the unit;
 - e. Other particulars required by a directive issued by the Authority.
- 1) In relation to unit ownership of condominium there shall be the following restrictions of utilization on the units.
 - a. The right of a unit owner to use a unit and the common elements may not cause harm to the right of other unit owners under the proclamation, these regulations, declaration and description and by laws and internal rules;
 - b. Any person may not perform any act or authorize other person to perform any act in a unit or a common element that cause harm to a person and damage to a unit or a common element;
 - c. Without prejudice to the provisions of the proclamation and these regulations, unit owner may set forth additional limitations on the use of a unit or common elements through by laws and rules;
 - d. Unit owners association, directors, workers of the association, declarant of unit owners as well as any person who has an interest in a unit or who has got an interest related to a unit shall abide by provisions in the Proclamation, these regulations, by laws and rules governing the use of a unit and a

6. Certificate of Ownership

- 1) Certificate of ownership shall be issued to a unit owner when a certificate of registration is issued under Article 5 of these regulations;
- 2) The Authority shall prepare and issue certificate of ownership;
- 3) Certificate of ownership under Sub-Article 1 of this Article shall contain the following particulars;

common element.

- e. A unit owner and an occupant of a unit shall be responsible for the observance of the proclamation, these regulations, by-law and rules by its guests, agents and workers
 - f. A limited common element allocated to some specific units shall be used exclusively by same.
- 1) A unit owner, the association, lessee of a unit or any occupant of a unit or a common element shall allow a right of way in the following conditions
- a. To install, repair or control water supply, electric power, telecommunication and other services required by a directive to common elements and a unit;
 - b. To repair and maintain any part of the building, a unit or a common element;
 - c. To assess tax and duty or other required payments;
 - d. To pass a administration decision related to urban plan implementation and control, as well as municipal services;
 - e. To ensure and control that the unit owners association carry out its duty of maintaining a unit properly.

7. The First Board of Directors

- 1) The declarant shall designate a board of directors composed of three members within 60 (sixty) days of the registration of the building under Sub-Article 1 of Article 4 of the Proclamation.
- 2) The declarant may remove and replace the board of directors and the members of the board of directors designated under this Ar-

ticle.

- 3) The decision passed by the board of directors under this Article shall have validity without a need for approval by director designated under Article 8 of these regulations.
- 4) The board of directors shall call a meeting of unit owners within a month of a transfer of ownership of one fifth of the units or three months of a transfer of ownership of any unit.
- 5) Unit owners other than a declarant shall appoint two additional directors for the first board in the meeting called under Sub-Article 4 of this Article.
- 6) Any unit owner may call a meeting of unit owners where a meeting of unit owners is not called under Sub-Article 4 of this Article.

8. Board of Directors Designated by Unit Owners

- 1) Unit owners shall designate board of directors when the transfer of a majority of the units is made.
- 2) The first board of directors designated under Article 7 of these regulations, if any, shall call unit owners meeting within 90 days of its notification by the declarant of the transfer of ownership of the majority of the units.
- 3) The meeting called under Sub-Article 2 of this Article shall elect from among unit owners a number of directors as fixed in by laws for board of directors.
- 4) Any unit owner may call a meeting of unit owners where a meeting of unit owners is not called under Sub-Article 2 of this Article.
- 5) The replacing board of directors and the first board of directors shall transfer within 30 days of the election of members of the board of

directors under Sub-Article 3 of this Article.

- 6) The first board of directors shall hand over to the replacing board of directors seals, minutes, the declaration, the description, the by laws, the rules, documents evidencing agreements and contracts entered by the association as well as invoices and records in accordance with Sub Article 5 of this Article.
- 7) The Authority may issue a directive specifying other transferable matters and the date of transfer from the first Board of directors to the replacing ones.

9. Annual Meeting of Unit Owners Association

- 1) The board of directors shall call a general meeting of unit owners within three months of the registration of the building.
- 2) The annual general meeting of unit owners shall take place at the last month of each budgetary year.

10. Records and Documents of the Association

The unit owners association shall maintain the following documents and records;

- 1) A balance sheet;
- 2) Minutes of the general meeting and the board of directors;
- 3) Declaration, description, by law and rules;
- 4) Contracts and agreements entered by the association; and
- 5) Other records and documents required by a directive issued to implement these regulations;

11. By laws

Without prejudice to the provisions of these regulations the declaration and description, the general meeting of unit owners may define, modify or repeal the following matters in the by laws;

- 1) Election, number, qualification, term and removal of directors;
- 2) Without prejudice to Article 18 of the Proclamation the duties of the board of directors;
- 3) Assessment and collection of contributions to common expenses;
- 4) The responsibility and coverage of expenses of a damage caused to a unit by a fault of a lessee or any occupant of a unit;
- 5) Administration and use of the property of the association;
- 6) Administration of the building;
- 7) Without prejudice to Article 40 of the Proclamation, other matters required to be dealt in the by laws through a directive issued by the Authority;

12. Rules

Without prejudice to the provisions of these regulations, the declaration, the general description and the by laws, the general meeting of unit owners may define, modify or repeat the following matter in the rules:

- 1) To maintain the welfare, security and safety of the unit owners, the building and the assets unit owners association;
- 2) To prevent undue interference in the use of common element, a unit and the assets of unit owners association;
- 3) To ensure the observance of the duties set forth in the Proclamation, these regulations,

the declaration, the description and unit owner and the letters agents, workers, lessee and any occupant of the unit.

13. Auditors

- 1) The appointment of auditors shall be as stipulated in the following provisions:
 - a. Unit owners shall, in their first meeting, designate one or more auditors that serve till the next general meeting;
 - b. Unit owners shall designate in each annual general meeting one or more auditors to serve till the next general meeting. The auditor in charge shall continue to serve where the unit owners fail to designate and auditor,
 - c. Any unit owners may request the court to designate an auditor where auditor is not designated.
- 1) The auditor shall be accountable to the general meeting of unit owners.
- 2) The following shall not be designated as a auditor for unit owners association;
 - a. Directors workers, and agents of the association;
 - b. Any person who acquires a right or who has an interest by the contracts entered in to by the association;
 - c. Any person who entered in to contract of management of the condominium, and
 - d. Employers and workers of persons mentioned under (A) to (C) of this Sub-Article may not be auditors of unit owners associations.
- 1) The removal of auditors from office shall be as

follows:

- a. The general meeting of unit owners specially called for this purpose may by a two-thirds majority vote remove an auditor from office;
 - b. The auditor proposed to be removed from office shall be given a notice containing the auditor's name and the reason for removal before one month of the meeting under Sub-Article 4(a) of this Article;
 - c. The auditor named in the notice under Sub Article 4 (b) of this Article may forthwith give a written statement to the association concerning the reason of removal:
 - d. The auditor may defend his position in the general meeting. The written statement of the auditor shall be annexed to a summon of the meeting sent to each unit owner.
- 1) An auditor as a representative of unit owners shall investigate the financial condition of the association and submit a report to the annual general meeting.

14. Sale by a Declarant

- 1) The declarant shall give a disclosure to any person who buys a unit from the declarant either before or after the registration of the declaration and the description.
- 2) The disclosure shall have the following format:
 - a. The disclosure shall have table of contains in the first page.
 - b. The disclosure following the first page, shall state matters maintained in Sub-Article 3 of this Article and attach the documents maintained.
- 1) The disclosure shall contain the following par-

particulars:

- a. The name of the declarant, the address of the declarant and the building;
- b. The kind and number of condominium, the kind, number, and conditions of use of units, recreations and other amenities;
- c. The conversion of the building to condominium rendering other kind of service if any;
- d. The declarant's plan to sale many units or a block of units to one person, if any;
- e. The number of units the declarant plans to lease, if any
- f. The starting and finalizing period for construction of uncompleted amenities, if any;
- g. Contract entered in to by unit owners association;
- h. The plan of the association to merge with other association of unit owners, if any;
- i. Payment owed by the association; and
- j. The declaration, the description; the by law, the rules, the statement of budget and other documents and matters required by a directive issued to implement these regulations.

submitting application for lien certificate.

- 3) The application lien certificate shall be submitted to the Authority.
- 4) The Authority in accordance with Sub-Article 4(1) of this article, within fifteen days shall give decision on register or not to register the lien applied for and if the decision is not to register the lien notify in writing its decision to the applicant particularly stating the reason not to register
- 5) The Authority shall forthwith give a certificate of lien to the applicant association where same decides on registering of the lien.
- 6) The certificate of lien shall state the following matters:
 - a. The sum of money for which the association acquired a lien right against the unit owner;
 - b. The sum of contribution owed by a unit owner;
 - c. The different expenses incurred by the association to secure the payment of the contribution from a unit owner;
 - d. The amount of interest on the unpaid contribution by a unit owner.

15. Implementation of Lien Right

- 1) Any association that has a right of lien for the unfulfilled contributions of a unit owner in accordance with Article 25 of the proclamation shall submit a written application to the appropriate head of the authority.
- 2) The association must give a notification of ten days to the defaulting unit owner before sub-

16. Registration of Amalgamation

- 1) The Authority must be given a notification where unit owners associations are amalgamated.
- 2) The Authority shall register in the registry of condominium, the amalgamated condominium and the newly created unit owners association and give certificate of registration in accordance with Article 5 of the Proclamation where it certifies the provisions of Article 29 to 31 of

the Proclamation are met.

17. Cancellation from Condominium Registry

- 1) The notification provided for under Article 37 to 40 of the Proclamation shall be signed by authorized board members and submitted to the Authority.
- 2) The following documents shall be attached to the notification;
 - a. The original document of the certificate of registration of the building;
 - b. Expert opinion of the extent of damage caused to the building as provided under Article 32 of the Proclamation;
 - c. Expropriation order or decision under Article 35 of the Proclamation;
 - d. The minutes showing the vote of unit owners under Article 32, 33 or 34 of the Proclamation;
- 1) The Authority shall give decision within fifteen days of the submission of the notification under Sub-articles 1 and 2 of this Article.
- 2) The Authority shall cancel the condominium from a condominium registry and give a certificate of termination to the owner or its agent within three working days where it ensures Articles 32 to 38 of part eight of the Proclamation dealing with termination of a condominium are met.
- 3) The authority may authorize others to examine or examine by its workers and report the accounts of the association before issuance of the certificate;

18. The Effect of Cancellation

The cancellation of the building from building registry under Article 17 of these regulations shall have the following effects:

- 1) The condominium shall cease to be governed by the Proclamation and these regulations.
- 2) The unit owner shall be co-owners of the building in proportion to their undivided percentage interest.
- 3) The sum of money or compensation obtained from sale of a condominium under Article 34 or expropriation of a condominium under Article 35 shall be distributed to unit owners in proportion to their undivided percentage interest in the common elements;
- 4) The sum of money obtained or compensation paid under Article 34 or 35 of the Proclamation shall be distributed only to those unit owners who enjoy exclusive use of the common elements where the sale or the expropriation is related to such limited common elements.

19. Power issue Directives

The Mayor of the City or the Authority may issue a directive to implement these regulations.

20. Effective Date

These regulations shall come into force as of the 5th day of February 2004.

Done at Addis Ababa,

This 5th day of February 2004

Provisional Government of Addis Ababa City

Credits to the stakeholders

Tsedale Mamo	AAHDPO manager	overall coordination
Amara Asgedom	AAHDPO land, infrastructure and design department head	land provision, design and utilities coordination
Tadesse Merkuria	AAHDPO MSE and TVET department head	MSE and TVET promotion
Yemane Abrha	AAHDPO construction department head	coordination of construction sites
Yemane Tsegay	AAHDPO logistics, finance and purchase department head	coordination of logistics, finance and purchase
Martha Yigezu	AAHDPO	
Dr. Messele Haile	MH-Engineering PLC managing director	consultant for the project
Ruth Erlbeck	GTZ / LCH project manager sociologist / economist	overall coordination
Dipl.-Ing. Ralph Trosse	GTZ / LCH technical advisor architect	design, coordination, site supervi- sion and documentation
Berhanu Getaneh	GTZ / LCH credit facilitation and beneficiaries' organization head	neighbourhood management
Dipl.-Ing. Carsten Stammeier	GTZ / LCH architect	project documentation and illus- trations
Ingo Oexmann	landscape designer	training of natural stone pavement, exterior design
Ralph Bäcker	professional photographer	presentation photographs

