



## The Integrated Housing Development Program: Identifying Strengths and Gaps

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### The Problem

Addis Ababa, the lead urbanizing city capital of Ethiopia, inhabits nearly 20 percent of the country's total urban population (CSA, 2014). Rapid urbanization coupled with high population migration into the city have accelerated the housing stock demand beyond capacity. The housing sector that engages in supplying housing stock to the city's residents has been in a long-standing strain. At the beginning of the year 2000, the city's nearly 4 million inhabitants had a housing supply backlog of about 300,000 units. These numbers show the housing supply shortage in the city and are oftentimes characterized by poor conditions.

In Addis Ababa, housing supply is also most critical to the middle and low-income groups of the population. A number of factors fostered the poor housing supply conditions in the city. First, is lack of access to affordable land and the widely practiced market-oriented land management system (Tesfaye 2007).

Besides poor land management practices, lack of diversified housing delivery systems; the absence of a robust and affordable housing construction industry; and the absence of diversified housing financing system are all factors that continually shape the housing stock supply in the city. Particularly among the urban poor, limited access to decent and affordable housing has driven fast growing informal and squatter settlements in the city.

### The Integrated Housing Development Program:

With its effort to address the housing demand gap in the early 2000, the government has interjected as one of the lead housing suppliers. The IHDP project is unique for the reason that it aims to supply housing to those underserved by the market. The IHDP program is also unique in that it is fully government led and financed. In addition to the role that the government plays, the integrated and holistic approach to addressing urban poverty makes the IHDP program unique. According to the UN-Habitat (2011), IHDP's objectives are to:

- i. Increase housing supply for the low-income population
- ii. Recognize existing urban slum areas and mitigate their expansion in the future
- iii. Increase job opportunities for micro and small enterprises and unskilled labors, which will in turn provide income for their families to afford their own housing
- iv. Improve wealth creation and wealth distribution for the nation
- v. Promote savings (an objective recently emphasized in the past two years)

The IHDP program uses housing development programs as a way to initiate and promote urban development, including addressing urban poverty, unemployment, promote and build the capacity of the construction industry and promote micro and small-scale enterprises (MSEs)