

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

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SUMMARY

Bahir Dar is one of the major cities of the region that has been facing a plethora of problems of acute housing shortage. To address housing shortage since 2003 land was made available through leasehold system. Nevertheless, the policy failed to solve housing problem at large scale. Thus, since the year 2006 the incumbent the regional government- instead of directly availing serviced land to the poor- has opted out to undertake an ambitious regional wide Integrated Housing Development Program (IHDP) to address the shelter needs of the lower income households. In Bahir Dar city the five-year programme has already finished. Therefore, this study empirically examines the practice of addressing shelter need of urban poor and women through leasehold policy and IHDP. The study also based on desktop studies, literature reviews, land and housing policy review, interview and field observation.

With all these, the study found that the Amhara regional urban land policy by default excludes right of access to land for development of housing because land is allocated through auction in which this group of the society cannot afford. The study also reveals that in implementing IHDP many urban poor and women households are excluded because they cannot afford the down payment or monthly mortgage and service repayments. The results show that leasehold policy and IHDP are basic, but require proper interpretation in terms of the context of urban poor and women needs.

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1. Background

1.1 Introduction

Land is the most important resource to human beings. It is the source of life itself. Therefore, its control and use has far-reaching implications on how a society is organized and informs on how the means of production and exchange are regulated. It is thus logical that whoever controls land has an upper hand in most of the matters in the society. This explains why land and housing questions have been controversial over years in almost all societies in the world (Maina, 2007). Similarly, housing is one of the necessities for human beings. For a long time, however, it has remained a critical problem, which millions of poor people in the developing countries lack, Ethiopia being no exception (Bihon, 2007).

Despite wide recognition of the right to adequate housing as a central human right in international legislation, in the previous regimes millions of people in Ethiopia were facing violations of their housing and land rights. Currently, the important dimensions of Ethiopia's urban development policy as they relate to the land policy are; ensuring the equitable distribution of land to both the rich and poor, facilitating mechanisms by which low income groups are allocated adequate land at reasonable cost, promoting urban - rural and urban – urban linkages, support for small and micro enterprise and job creation, integrated housing development. Improved access to land by the poor is therefore recognized as a key to ending poverty, by the federal government of Ethiopia (Belachew, 2010).

In practice, although urban land policy tried to bring good sense in the land allocation process and the putting in place of various policy strategies that seek to address the needs of the poor, a number of challenges have observed. For example, land supply constraints a rise in prices and demand for urban land, bureaucratic tendencies, weak monitoring and evaluation mechanisms, inadequate databank systems, shortage of financial resources, lack of participation by the poor, inadequate official records about poverty, the poor's lack of ability to pay for the land, lack of transparency in service delivery, poor are being less active / not engaged in the land delivery process, most land allocation procedure based on the bidding system which favours the most affluent, existing standards requirements are still too high for the chronically poor and etc (Abuye,2006).

Ethiopia's persistent urban poverty has made urban land and housing policy the subjects of ongoing debate. In Ethiopia, the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the state and in the peoples of Ethiopia. Land is a

common property of the nations, nationalities and peoples of Ethiopia and shall not be subject to sale. Yet social justice, urban renewal and development, the provision of decent dwellings- and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole. Since under absolute state ownerships of asset the government of Ethiopia has not brought significant solution for the ever-increasing poverty, the situation has put pressure on state to move from a command to a market oriented economy. Hence, it was within this reform framework that urban land leasing policy and legislation were promulgated and put in to effect. In other word, urban leasehold tenure system in Ethiopia is prompted by the consideration of a free market philosophy (Zelalem, 2012)

It is believed that transferring urban land by lease for a fair price, consistent with the principles of free market, will help the expansion of investment and urban land development. At this time, it is assumed that the housing market alone would meet the demand for affordable housing of the low-income population. The government has provided urban land at highly subsidised rates. Despite such effort made by government, the private sector has failed to deliver affordable housing at the large scale as required (UN-HABITAT, 2007). As has already been made clear, until recently, there were few national coordination policies regarding housing and urban development. By the mid 2000s, however, changes started to take place in the governing and planning of urban area. Pressures were increasing to improve the coordination of urban policy and to recreate some form of strategic planning approach. Consequently, in 2005 the Ministry of Works and Urban Development (MWUD) was set up to discuss strategic city and town-wide planning issues. MWUD is responsible to guide the overall development of the country's urban areas and conducting studies on its urbanisation patterns. Immediately following its creation, MWUD drafted a terms of reference for preparation of an urban development package. One of the main pillars of urban development and urban good governance packages, was Integrated Housing Development Programme (MWUD, 2007)

Since 2005, Ethiopia has been implementing an ambitious government-led low- and middle-income housing programme: IHDP. In this program, all slums would be cleared within ten years time and Ethiopia is supposed to be a middle-income country by 2025. The IHDP is a government led and financed housing provision programme for low-and middle-income households. It marks a radical departure from previous predominantly single-story detached housing typology (government-owned rental housing) approaches to the new condominium typology (private homeownership). Post- 1991 Ethiopia has had a decentralised regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs including urban land and housing problems (UN-HABITAT, 2010).

Amhara region is one of those regions in Ethiopia, which have started exercising their mandate of addressing the issues of urban land and housing problems. This study, therefore, deal with the implementation of the leasehold and IHDP in Bahir Dar city. Bahir Dar city the capital of Amhara Regional State is located approximately 578 km northwest of Addis Ababa the capital city of Ethiopia. The city has an area of 213.43 square kilometres and total population of 221,991. It does not, however, include all aspects of the land and housing development programme, rather it focuses on how these policies address land housing problem of urban poor and women in Bahir Dar city. Hence, despite an increased interest in implementation of urban land lease policy and IHDP, it is surprising that only few researches have actually been conducted on the topic related to this study. Unfortunately, one of the major challenges facing the leasehold policy and IHDP concerns achievement in addressing beneficiaries of the policy and program, which have received very little attention to date. It is with this background information that this study primarily considered the need for undertaking urban land policy in addressing the shelter need of urban poor and women in Bahir Dar city.

1.2 Statement of Problem

For poor people, particularly women housing is an important productive asset that can cushion households against severe poverty during economic hardships. Renting a room or creating an extra space for income generating activities is the common coping strategies. When the poor have secure ownership of their housing, they often use it with particular resourcefulness when other resources of income are reduced (Kaijser, 2007). Due to the unbalanced income distribution and growth and financial constraints, it would be very difficult to address the housing need of the poor in Bahir Dar city. However, it is necessary to come across on each problem and conducting researches to assist the implementers to look at different options based on other countries experience. Certain basic problems have been observed regarding the application of land lease policy and implementation of IHDP, which need to be investigated.

In Ethiopia, in general and in Amhara region in particular the practice indicated that land and housing regulations make housing unaffordable. Unrealistically high standards for subdivision, project infrastructure, and construction make it impossible to build low-income housing legally. Furthermore, urban land supply has been limited by extensive public ownership of land and unclear land transfer procedures, unrealistic standards for land and infrastructure development, complex procedures of urban planning and unclear responsibilities among public agencies. Limited land supply will cause the prices to increase (Belalchew, 2010).

Importantly, the current urban land allocation through tender or auction makes it difficult for the poor to follow cumbersome procedures. It became difficult for poor people to save money and participate in auction. Observations show that the processes of obtaining urban land, construction and occupancy permits are complicated, not well understood by the poor, especially immigrants from countryside. The result is invasions of state land or purchases of unplanned land from illegal agents. Furthermore, there is ample evidence from Africa, Asia, Latin America and Caribbean countries that low-income and women households do not have access to housing credits. When housing loans are not available, households have to use their own savings, sweat equity, and/or loans from relatives. It should be noted that in reality households in the lowest deciles of the income distribution could not save (like the households in upper echelons of income distribution), as in most cases, monthly incomes are irregular and hardly sufficient for minimum nourishment requirements. Thus, building in illegal areas, without construction and/or occupancy permits, remains as the only option for the urban poor (Ocala et.al, 2005)

A related problem less recognized by empirical studies that tried to evaluate success of implementing Integrated Housing Development Programme are issues related to equity of distribution of condominium unit. It is found that in many of the urban societies, every male head of household is traditionally entitled to land for his homestead. When a man dies, his male children inherit his land. Women, regardless of their marital status or age, can never acquire land or landed property on their own. They have to reside with their parents, husbands or sons. The existence of ill-defined property right has been exacerbated its negative impact on the livelihoods of women and children by the HIV/AIDS pandemic (Deininger, 2003). Therefore, it is crucial to evaluate the effectiveness of Integrated Housing Development Programme in addressing the shelter need of urban poor and women. Hence, poor and women in Ethiopian society hold a marginalised position compared to men. They are discriminated in many aspects of their life. In terms of housing, security of tenure is lower for women.

A study made by UN-HABITAT (2010) showed that the IHDP has been successful in many respects. The programme has greatly increased the number of homeowners that would never otherwise have owned a home within their lifetime, and, in parallel, has benefited the housing market by increasing the supply of owner occupied housing and rental units. The programme has also built the capacity of the construction sector, addressed the existing slums and been a significant generator of employment opportunities. There are, however, a number of unanticipated challenges facing the programme identified by UN-HABITAT (2010). One of the most pressing is the affordability of the units for low-income households, with the cost increases in the price of condominium houses deeming them no longer an option for many low-income households. Furthermore, the inability to pay the monthly mortgage and service

payments forces many households to move out of their unit and rent it out rather than risk losing it through bank foreclosure.

Currently, there is wide-ranging agreement among land advocacy and women's rights non-government organizations (NGOs) that woman should have equal opportunities to own land and exercise control over its products. For example, with regard to gender, The Revised Rural Land Administration and Use Determination Proclamation No. 133/2006 of the Amhara region set out in the masculine gender shall also equally apply to feminine gender (art.3). Article 5.2 of the same proclamation confirm the above facts: Any farmer residing in the region shall, despite gender or any other reasons of regard, have equal right to get land in holding. This implies that resolving gender inequality in relation to land tenure has major implications for urban poverty reduction. The central issue is therefore what forms of institutional arrangement has been established and operated practically to resolving gender inequality and wealth in relation to urban land and condominium unit distribution? What factors have been considered while addressing the need for poor and women? Since one of the very important role of having good land administration system is to reverse the history of inequitable access to land and housing by poor and women through providing equitable and efficient access to the economic benefits of land and housing, there is an urgent need to empirically examine how the currently enacted policies deals with the aforementioned issues.

1.3 Research Questions

Land and property ownership for poor and women is one of the major areas where many African countries have neither laws nor clear guidelines for dealing with traditional discrimination against urban poor and women, even while declaring equality for all. Mostly women have no access to land and property ownership. Therefore, this study central research question is: How the urban land and housing policy that has been implemented in Bahir Dar city has addressed the land and housing demand of urban poor and women. This study has the following specific questions:

- Is the urban land and housing policy in Bahir Dar city enhancing transparent methods to promote the better utilization of public land while improving access for the poor in Bahir Dar city?
- How does the urban land and housing policy of Bahir Dar city consider the demand for serviced urban land by the poor, particularly women?
- Are condominium houses deemed to be an option for many Bahir Dar city poor and women households particularly interims of affordability?
- What are the main bottlenecks that affect the implementation of the Bahir Dar city urban land and housing policy to improve accessibility by the poor and women?

1.4 Research objectives

The general purpose of this study is to verify empirically the presumptions that urban land lease policy and Integrated Housing Development Programme (IHDP) necessarily solve an existing housing shortage and reduce poverty through housing production in Bahir Dar city by providing access for urban poor and women. This paper specific objective is:

- To evaluate the urban land lease and housing policy in line with its enhancement of transparent methods to promote the better utilization of public land while improving access for the poor in Bahir Dar city.
- To evaluate contribution of the currently implemented IHDP in solving housing problem of Bahir Dar city poor and women.
- To identify the main challenges of the Bahir Dar city land and housing policy to address the problem of poor and women.
- To forward recommendations that would be useful for concerned parties.

2 An Overview of Ethiopian Urban land and Housing Policy

Up to 1980s, there was no legislation on urban public lease in Ethiopia, because in the pre-1975 imperial regime urban land was under freehold and public land. Whatever unused land was all state land particularly the crown's land, which was allocated by administrative decisions for residence, for factory or service work or by concession for commercial farm. The freehold land was sold and bought, inherited, collateralized, given as gift etc. There was some sort of crude title legalizing ownership and land tax was levied which differed based on the quality and service grading of land. Building tax was also levied. Both taxes were minimal, annually paid and not progressive which favoured the landlords (Abate, 1983) The pre-1975 imperial regime of Ethiopia land tenure system implied that the regime had a monopoly of political and economic power over land and other tangible properties. Most of the high value lands were in the hands of few feudal nobility property owners and royal family members. Few emerging owners of capital and some middle class educated Ethiopian managed to buy some urban land. Hence, the feudal ownership of urban land caused and perpetuated slum areas and poverty in the urban areas (Aklilu and Tadesse, 1994). The landlords and royal family who had immunity from the law in practice violated town plan. They built houses that did not abide by the plan and occupied public land whenever they needed it regardless of it was reserved for public use. The bureaucrats violated the plan by abusing their power. Hence, no plan was enforceable. All such bottlenecks of development created by the feudal system called for a radical land reform (Tarekegn, 1989).

The Derg (military regime) that overthrew the imperial regime in 1974 introduced radical changes in the land tenure system of Ethiopia. The issue of land was one of the motivational forces behind the February 1974 revolution in Ethiopia. In July 1975, Proclamation No. 47/1975' Government Ownership of Urban Lands and Extra Houses' nationalized all urban land and rental dwellings in Ethiopia in an effort to force a fairer distribution of wealth across the country. During the Derg regime (1975-1991), two typologies in the housing sector were established: government-owned rental units, administered by the Agency for the Administration of Rental Houses, and kebele housing, managed by Kebele Administration units, the smallest government administration unit, operating at neighbourhood level (Teshome, 2008).

It should be stressed that in the Derg regime (1974-1991), the centralized government also controlled housing supply yet it was drastically insufficient to meet the large demand. During the 1980s, the number of urban dwellers has continued to increase at a high rate of growth, causing unplanned urban centre expansions and further complicating the problems associated with housing sector. Since the housing shortage became deeper under the Derg regime, new policies were adopted. The most notable move in that regard probably was the housing policy laid out in 1986. It was within this reform that housing regulation was promulgated and put in to effect. During the late 1980s, the Derg loosened its control on housing supply by allowing private house owners and tenants of public premises to sell and exchange their houses, although in reality the government devolved very little control and maintained its position as the key driver of housing supply (Mulugeta, 1995).

Immediately after the downfall of the Derg in 1991, Ethiopia has brought radical changes in previous policies, specifically from a command to a market oriented economy. One of the sectors, which have undergone a radical transformation, that address the need for poor is the issue of rural and urban land. For example, article 5 (1) Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation No, 456/2005 clearly stipulate the importance of considering rural land access by poor and women . In accordance with this article any citizen of the country who is 18 years of age or above and wants to engage in agriculture for a living shall have the right to use rural land. In addition children who lost their mothers and fathers due to death or other situation shall have the right to use rural land through legal guardians until they attain 18 years of age.

In urban area, it is believed that transferring urban land by lease for a fair price, consistent with the principles of free market, will help achieve overall economic and social development and to help build capacity enabling progressive urban development based on the life span that a landed property may have and the period it requires to recover investment costs, the special

nature of the investment, and the land use specified in conformity with master plan. This is vital because potentially it can create land market, which promotes market economy and urban development by striking a balance in the harmonization of competing interests between the private and public sectors. Since the 1990s, a legal basis for the formation of urban lease holding system and the operation of holders has been established. In 1933 the government enacted the first and new leasehold proclamation that has been amended in 2002 and then in 2011.

Some of the major reasons that are stipulated in the preamble of urban land lease proclamations includes: to provide for the utilization of urban land to satisfy the needs of the various sections of the population; to address the problems associated with a high rate of urban population growth which resulted in the expansion of urban centres; to address the inadequacy of the financial capacity of urban centers to finance the building of infrastructure and the provision of social services to urban dwellers; the need to implement the free market principles of the government by creating conditions whereby the right to use urban land can have market value; the need to control loopholes, corruption and appropriation of unjustified gains realized during the transfer of the right to use urban land whose value has appreciated; and the need to lay down a frame work in which Ethiopian investors can participate in the economic development of urban centres in accordance with the economic policy of the country. Besides , there is also a need to promote the economic development of urban centres necessitates the control of appropriation of unjustified gains realized from the transfer of the right to use urban land which value has appreciated (Proclamation No. 80/1993; Proclamation No. 272/2002).

Having such condition, in very recent year there are some situations in the economy that request urban land reforms. For example the sustained rapid economic growth registered across sectors and regions in the country has steadily and exponentially increased the demand for urban land, and such development requires prudent and responsive land resources management. Besides, the prevalence of good governance is assumed to be a foundational institutional requisite for the development of an efficient, effective, equitable and well functioning land and landed property market, the sustenance of a robust free market economy and for building transparent and accountable land administration system that ensures the rights and obligations of the lessor and the lessee (Urban Lands Lease Holding Proclamation No.721/2011).

To address these national goals now, in the process of establishing urban lease system, urban housing development is identified as a key pillar in the priority intervention areas of the government's policy. The policy envisages not only the provision of decent urban housing to citizens, but also the utilisation of housing as an instrument to promote urban development, create jobs, revitalise the local urban economy through MSE development, encourage saving,

empower urban residents through property ownership, and develop the capacity of the domestic construction industry. These intervention areas identified in the policy document form the bases for the development of the IHDP from 2005 (Ministry of Works and Urban Development, 2007). Thus, it is worth spending a little time describing the background of objectives and strategy of IHDP.

In post-1991 it was assumed that the market mechanism of allocating urban land would alone solve the housing problem. However, the market mechanism has failed so far to deliver affordable houses to the majority of urban dwellers over the past years, and is not expected to respond to such huge housing needs in the near future. This fact has manifested by the 2004 MDG housing needs assessment. Thus, the government aims to achieve this MDG target of housing needs by delivering at least half of it (i.e., constructing 100,000 housing units per annum) and supporting the private sector to deliver the other half (support the construction of 125,000 housing units per annum by private home builders, housing cooperatives and real estate developers). Accordingly, Ethiopia has designed a comprehensive housing development program in 2005 (Ministry of Works and Urban Development, 2007).

It should be noted that the IHDP aims to benefit low and middle-income urban residents who aspire (do not) to own a house. These sections of the community are hard hit by inadequate and poor quality housing in bigger cities and towns. Such targeting would also help to ensure sustainability and equitable distribution of wealth in cities and towns. Moreover, the IHDP aims to ensure equitable distribution of wealth and to economically empower women; the IHDP sets specific targets with respect to women. All regional governments have now enacted that at least 20-30% of the houses constructed to be allocated to women headed households. In addition, urban women are entitled to benefit from the allocation of the remaining 70-80% of the houses constructed like any other urban resident. Women are also expected to beneficiary from the jobs and small businesses created. The significance of the IHDP is far-reaching.

To design and implement a system based on the objective realities of the region pursuant, the Federal Constitution vested power to regions to administer the urban land to use and maintain it properly, and to keep and coordinate it with the development objectives of the government. As a result the power to issue regulations concerning urban land leasehold is vested to national and regional self-governments. Post- 1991 Ethiopia has had a decentralised regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs. Similarly, MWUD transferred the overall responsibility to regional states concerning implementation of urban development and urban good governance packages. In most regions, the Bureau of Works and Urban Development (BWUD) has become responsible for urban management and development issues. The

Amhara region is one of those regions in Ethiopia that pioneered in exercising the mandate of addressing the issues of land and housing problems.

In Bahir Dar city within leasehold tenure, land for housing development has been provided through auction and through decisions of the city government. The rationality behind this is that the numbers of applicants participating in auction is higher than the number of the land prepared for auction. Pre-2006, Amhara regional governments and Bahir Dar city have been attempting to deliver housing to their residents including poor and women. Two typologies in the housing sector were established: Amhara Regional Government-owned rental units, administered by the Agency for the Administration of Rental Houses, and Kebele Housing managed by Kebele Administration units. However, the strategies were unclear and the achievements are too small in comparison with the magnitude of the problems faced by the poor and women. Yet land development and management remains one of the areas where significant improvement have to be done to equitable distribution of wealth among citizens. At regional level the main objective has been to secure funding to support city level delivery of housing, infrastructure, services and facilities. Cities in Amhara regions like majority of cities in Ethiopia are centres of both hope and despair: while being engines of economic and social development they are also congested centres of poverty and environmental deterioration. It has become necessary to place emphasis on increasing the access of the urban poor to the formal land and housing markets (Belachew, 2010).

3 Research Methodology

With the purpose of comprehending the concept of urban land and housing policy in addressing shelter need of urban poor and women, this study adopted a multi-faceted approach employing multiple methods for the collection of study data. Detail documentary reviews and in-depth interview were the primary method of the study. Documentary review on national and regional urban land and housing policy including IHDP, relevant regulations particularly on the allocation of condominium units issues in both printed & electronic form have been conducted. In-depth interviews and discussions were made with members of Amhara National Regional State Construction and Housing Development Agency who are responsible for construction and distribution of condominium on behalf of the agency.

This study used a qualitative descriptive case study to understand the issue from the point of view of the participants and its particular institutional context. Despite there are several cities in the Amhara region where urban land policy and IHDP have taken place, Bahir Dar was selected as a case because as it is the capital city of the regional state, it is easy to get first-hand information from people who actively participate in law making and IHDP. Document

review and interview were used to collect data. This study also based on desktop studies, literature reviews, and field observation.

4 Result and Discussion

The presentation and analysis of the findings are categorized into two thematic sections. The first section deals with the relationship between urban land lease policy and accessibility by the poor and women in Bahir Dar city. The second section discusses the housing institutional characteristics in relation to addressing shelter needs of urban poor and women.

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

Pertaining to availability of land in Bahir Dar city for poor and women, the documentary analysis of Amhara regional urban land lease proclamation evidently stipulated that availability of serviced land has been limited. Hence, the urban land lease law clearly stated that an urban land for housing development shall be held by leasehold through tender or auction. In this process the city administrations shall prepare urban land plots. After that the city administrations will set lease benchmark price or ground rent based on the threshold price, determined by taking into account the cost of infrastructural development, demolition cost as well as compensation of displaced persons in case of built up areas, and other relevant factors. The law confirmed that urban land shall be granted for the highest bidder on the basis of market (bid price) and competitive parameters (duration and amount of down payment).

Pertaining to the practice, the manager of the City Administration has said that *“the current allocation of urban land through auction only benefit the higher income group and marginalizes the urban poor”*. He also underlines that of particular importance from a policy implementation perspective; most of the lessees take the land through paying higher prices not to undertake development activities but to sale with profit for other land demanders. This makes the land price over and above the market value. Therefore, the lease system could not accommodate the middle income group, which has the capacity to build their own houses. And a large volume of urban land allocated through tender has been under developed.

This study raised two important interview questions for informants who were responsibly and actively participating in allocation of urban lands (1) does the authorities give special consideration for urban poor and women while allocating urban land for housing and if not why?; (2) What assurance mechanisms have been used to overcome the housing problem of urban poor and women?

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For the first question, the Director of City Administration said:

There is no regulation that favours urban poor and women's access to urban land for housing development. However, practically in Bahir Dar city, in 2005 up on decision of city government, for 400-500 middle income urban residents land has been allocated to housing development. In addition, up to 1500 lower income residents of Bahir Dar city have secured land for housing construction free of charge. Moreover, for 300-400 cooperatives, land has been made available within a year.

According to Director of City Administration this approach of allocating land has been creating opportunity for those who couldn't be highest bidder and is a tool to ensure rapid urban development and equitable benefits of citizens and thereby solve the shortage of housing in urban centres. Thus, it is good to closely see how this objective has been materialized and considered by urban poor and women.

Unfortunately, this study understood that such allocation of land was done to refuse the ideology of opposition parties and scholars that suggest "privatization of urban land" during the campaign for the third national election of Ethiopia in 2005. Thus, the question of whether such land provision has an impact on reducing housing problem becomes important. The study shows that in reality, despite the fact that urban poor and women got an access to get land for housing development, it is surprising that a housing development allowed in Bahir Dar city on land permitted to be held by lease up on decision of city government is expected to be in accordance with the land use plan, for residential use. Unrealistically high standards for construction make it impossible to build low-income housing legally. Thus, building in illegal areas, without construction and/or occupancy permits, remains the only option for the urban poor.

More importantly, concerning an interview question of the current practice of allocating land for Bahir Dar city poor and women, Director of City Administration underlines that allocation of land up on decision of city government has been stopped. Hence, the regional government believed that there is a need to eliminating to a substantial degree of improper considerations, and urban land policy has to be consistent with the principle of free market which promotes private investment, facilitate credit activities, create efficient land and landed property market, and enhance the financial capacity of municipalities for constructing infrastructure and provision of social services. He also stated that urban land policy in addition of creating opportunity to establish and learn market values of land parcels, such tool also remove the shroud of secrecy surrounding many land allocation decisions and place such decisions in an open and transparent form.

Furthermore, he emphasized that the consideration of urban poor and women while regularizing of such land lease arrangement on a large scale may have serious negative consequences which have so far not been fully acknowledged. He underscores that providing poorly developed land, increasing price of construction materials, poor controlling mechanism of speculators; government intervention through providing land for urban poor and women free of charge or at low price has direct and indirect repercussions on other goals of the urban land policy

Concerning the second question (What assurance mechanisms have been used to overcome housing problem of urban poor and women?), Manager of the City Administration has argued that:

The current modality of urban land allocation by default put the poor and women out of game. He believed that there is no problem with the bid system, but, how the proposed lease system introduced along with encouraging conditions favourable for addressing shelter demand of urban poor and women should be the issue. .

In fact, both Director and Manager of Bahir Dar City Administration admitted the fact that having high proportion of population in Bahir Dar city, particularly low income and in informal settlements, the impact of inappropriate urban land regularization may render large numbers of people homeless. The provision of urban land through auction may raise land values which are then passed onto the majority, many of whom cannot afford to meet the costs and are displaced in favour of higher income groups.

Pertaining to the solution adopted, Manager of the City Administration stated that Bahir Dar city administrations have taken advantage of its land ownership in order to stimulate good development which particularly addresses concern of the urban poor. The city administrations wanted to make the lower and middle income group of the society ownership of condominium unit because urban land is allocated through tender in which the poor doesn't accommodate. In practice, however, there are acrimonious debates about condominium houses offered by the city administrations and the real beneficiaries of such housing program.

The experience in Bahir Dar city indicated that despite the fact that the city government has shown the commitment to work with the urban lease policy and construction of condominium houses, the system have a limitation on controlling squatting, unauthorized subdivisions on legally owned land and various forms of unofficial rental arrangements. In some cases, several forms of tenure may co-exist on the same plot. Some of these non-formal categories, such as squatting, started as a response to the inability of public allocation systems to provide for the needs of the poor and operated on a socially determined basis. It is therefore necessary

to investigate why the regulation could not be practical and how does the Bahir Dar city administration could improve the situation?

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

In Bahir Dar city, review of land and housing policy indicated that land allocation for housing development didn't considered priority right for urban poor and women. It is very recently to address the ever increasing demand of houses Bahir Dar city administration in collaboration with Housing Development Project Agency has carried out a new approach for housing developments that consider urban poor and women; Integrated Housing development program. To understand how IHDP implemented in Bahir Dar city, this study analysis relies on data obtained from reports of Bahir Dar city Administration Housing Development Project Agency (HDPA) and in depth interview with Director and manager of the above mentioned agency.

Housing Development Project Agency report indicated that due to the scarcities of resources, construction and distribution of condominium in Bahir Dar city has been carried out phase by phase. Under the first phase, in 2006, 9 sites were selected and 63 blocks consisting 1512 residential (305 studio, 681 with single bedroom, 439 with double bedroom and 88 with triple bedroom) and 105 commercial houses have been built at a cost of 123,100,910.62 birr and transferred to beneficiaries. Under the second phase, from 2007 to 2010, additional 75 blocks condominium houses were constructed at a cost of 195,000,000 in the selected 5 sites and transfer to beneficiaries. This phase of construction comprises 2057 residential (275 studios, 1000 with single bedroom, 702 with double bedroom and 80 with triple bedroom) and 34 commercial houses.

Documentary analysis of the Bahir Dar City Administration Housing Development Project Agency plan of construction and distribution of condominium showed that, despite there are some delays in construction and distribution, majority of the task have been done according to the plan. The report also indicated that the IHDP in Bahir Dar City has been successful in many respects. The programme has greatly increased the number of homeowners, recognizes the opportunity for housing to stimulate the economy, create employment, and improve the capacity of the construction and financial sectors.

To appreciate what is reported and to figure out some of the issues relevant to design and evaluate how the distribution of condominium unit undertaken in the city, in-depth interview were made with members of Bahir Dar city Administration and Housing Development Agency. Accordingly, this study found an important point observed in distribution of condominium unit rules-in-use. The regulation enacted for transferring condominium units to users emphasized that 80% of units constructed by Housing Development Agency aims to

benefit low and income urban residents who aspire (do not) to own a house and the remaining 20% aims to benefit higher income urban resident. It has to be stressed, however, that the original targets of the program is only middle and lower income households. For the question why a regulation addresses demand of higher income group, Director of Bahir Dar City Housing Development Agency has said:

Housing Development Agency is one of the main agencies working for development of Amhara region, and that is why the agency assigned as responsible for implementation of IHDP. However, HDPA is a profit making agency and its establishment has not associated with addressing the housing need of urban poor residents. In operation the agency should get money from any individuals who can afford to buy the condominium unit since the agency is expected to cover all cost by its own generated revenue. It is due to this, 20% aims to benefit higher income urban resident.

To complement Bahir Dar city HDPA report that states the IHDP has greatly increased the number of homeowner's, this study tried to understand how the poor and women were indulged in proclamation that has been enacted for transferring of condominium units constructed under Integrated Housing Development Programme for the first phase and now revised for transferring of condominium units constructed in the second phase. This study realized that the two proclamations have significant implication on addressing housing demand of urban poor.

In the first phase, during distribution of houses constructed by Housing Development Project Agency there is priority right reservation. Article 6 (1)¹ stated that condominium unit seeker who pay the total sale price in one time or better down payment than the fixed amount shall get priority right to purchase a unit with one or more rooms. Notwithstanding the provision of sub article 1 of this article, to ensure equitable distribution of wealth and to economically empower women, the IHDP 20% of the unit seekers with priority right shall be female households. In addition, urban women are entitled to benefit from the allocation of the remaining 80% of the houses constructed like any other urban resident.² Furthermore, the IHDP finance structure aims to cross-subsidize the studio as a pricing strategy to increase affordability for low-income households. So to benefit low income urban residents; the government subsidized 30% of total sale price for studios. Such targeting would also help to ensure sustainability and equitable distribution of wealth in cities and towns.

¹ Houses constructed and to be constructed under Integrated Housing Development Programme Transferring to users proclamation No. 142/2006

² Article 6 (2) of proclamation No. 142/2006

To understand the practice of distribution of condominium units transferred to users' interims of addressing urban poor and women the study tried to review the reports and related documents prepared by Bahir Dar City Housing Development Agency. Unfortunately, the agency doesn't have data that indicate how many number of condominiums units have been distributed to low income, middle income, high income or women. Instead it showed general numbers that specify only interims of sex (see the following table).

Table 4.1 *Distribution of Condominium Units interims of Sex since 2006 in Bahir Dar city*

| Type of unit | Total number | Beneficiaries | |
|----------------|--------------|---------------|------------|
| | | Male | Female |
| Studio | 305 | 212 | 93 |
| Single bedroom | 681 | 469 | 212 |
| Double bedroom | 439 | 309 | 130 |
| Triple bedroom | 88 | 56 | 32 |
| commercial | 105 | 75 | 30 |
| Total | 1618 | 1121 | 497 |

Source: IHDP Report, 2012

Based on the above reported data it is impossible to conclude whether IHDP ensure equitable distribution of wealth and to economically empower women. However, result of the interview with Director of City Administration indicated that while distributing condominium units HAD has planned to consider urban women to be entitled to benefit from the allocation of condominium unit with 20% priority right. Yet, the experience indicated that majority of women registered for lottery allocation were not coming during distribution of condominium unit. The possible reason suggested by the Director is lack of awareness about how IHDP consider them.

A major challenge facing securing affordable housing for low-income in Ethiopians in general has been access to housing finance (Haregewoin, 2007). As a result, the IHDP in Bahir Dar city finance structure aims to cross-subsidize the studio and one-bedroom units as a pricing strategy to increase affordability for low-income households including women. At the same time, the city government arranges subsidized interest rate for low income group and to be

fixed for loan payment period. It should be noticed, however, that no credit or income checks on potential beneficiaries are undertaken. Therefore, it can be argued that the IHDP hasn't favors low income and women interims of receiving subsidizing payment structure for condominium units since poor as well as women like any other unit seekers got same subsidized total unit sale price, receive interest rate and are required to make a down-payment out of their own savings to secure their unit.

This study also realized that IHDP designed to benefit low income urban residents through subsidizing them 30% of total sale price for studios had not been practice. Concerning the reasons, Director of City Administration has said:

This is due to the fact that there is no income verification system in place, inaccessibility of unit seekers income status, lack of uniformity on who can be categorized under lower and middle income, lack of reliable time series information on condominium unit price determination and subsidization, condominium unit distribution was higher income group oriented approach, urban poor not given sufficient attention. Due to these and other unmentioned problems, the distribution of condominium units is not successful in addressing urban poor in Bahir Dar city

Moreover, this study realized unanticipated outcome of IHDP. In IHDP approach an anticipated beneficial outcome of condominium housing is to make poor and women homeowners. However, a study undertaken by UNHABITAT (2010) in Addis Ababa found a parallel unanticipated outcome. In practice many unit owner, lower-income and women who were lucky to get condominium unit have become landlords since they move out of their unit and rent it to another household. Similarly, in Bahir Dar city despite the government subsidize the payment for studio and 1-bed room, many of low-income and women, who were secure condominium units, are unable to service the required monthly mortgage repayments, and have chosen to privately rent out their unit, rather than risk losing it through foreclosure by the bank. While exact figures are not available, result of the interview with Director of City Administration indicated that above 60% of low income and women homeowners rent out their condominium units. Since there are no legal or local community administrations that restrict this strategy and no checks made on unit occupation, it is financially advantageous for low income and women to rent out their property, with rental charges more than covering the mortgage repayments.

It has to be stressed, however, that the widespread practice by low income and women, condominium owners of renting out their units to wealthier households does not meet the original aim of improving the living conditions of the women by directly providing them

with affordable housing. Therefore, the study indicated that, the IHDP in Bahir Dar city faces a specific affordability challenge in terms of low income and women. While special provision to female-headed households is being addressed through the 20% lottery allocation policy, in reality there is a higher poverty level among female headed households. Hence, in Bahir Dar city many of the poorest households who are coming from rural area and cannot afford condominium housing are female headed. Therefore, just because of the affordability problems these women and their children are excluded from development plans.

It should be emphasized that more recently, the regional government has enacted Revised Integrated Housing Development Programme Condominium Houses transferring to users' proclamation No 1/2012 for distribution of houses constructed in the second phase. Unfortunately, this proclamation only gives priority for those who can pay the total sale price in one time or better down payment than the fixed amount. In other words, as compared to the first proclamation, under this proclamation there is no provision designed to ensure equitable distribution of wealth and to economically empower women and to benefit low income urban residents. Importantly, subsidized interest rates has also removed in the newly enacted regulation which significantly increased lending rates which severely reducing the opportunity for the low-income households to secure a home loan. This implies that the currently enacted proclamation for transfer of condominium units total ignore issues of ensuring equitable distribution of wealth and to economically empower women. With a high percentage of low-income and women in Bahir Dar city relies on income from informal market and lacking capital to use as collateral, access to formal credit has been limited or non-existent. This would result deterioration of low income and women capacity to own minimum-standard housing (condominium units). The general implication is that despite the assessment of IHDP practices in Bahir Dar city to benefit lower income group has shown that there are several issues that need attention.

It may be argue that in many respects the IHDP in Bahir Dar city is successful yet it faces two main challenges in relation to urban poor and women that need to be acknowledged and addressed. These concerns are beneficiary and programme finance: the affordability of units for low-income and women households and the unsustainable financing of the programme as a whole. The practice shows that the current urban land and housing policy in Bahir Dar city emphasizes the benefits of high income group and provides various incentives for them. This in turn may result in the creation of a large under-class which is denied access to any form of affordable or acceptable housing. Such a policy also fails to take into adequate account the variety of legal and socially accepted traditions in urban land tenure systems and distorts land and housing markets in favor of the few (rich) at the expense of majority (poor). This is

hardly consistent with the objective of improving the equity of urban land and housing markets.

5 Conclusion and Recommendation

This study highlights several lessons from the Amhara regional state urban land and housing policy for addressing the housing problem of poor and women in Bahir Dar city.

Despite the urban lease policy exclude access of land by urban poor and women, there are many advantages that can compromise such inaccessibility like to scaling up the value of land with market. It should be, however, emphasized that there is a need for strong political commitment at all levels of land administration to address urban poor and women housing demand at a large scale.

Particularly, serious attention should be given to challenges for implementing large-scale low-cost housing projects: IHDP. For example grim consideration should be given to the affordability of condominium units. Hence, many urban poor and women households are excluded because they cannot afford the down-payment or monthly mortgage and service repayments. It require appropriate body to develop alternative approaches to address the capabilities of the 'urban poor and women households' who cannot afford formal condominium housing

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

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