Access to housing is a worldwide challenge. Ethiopia is highly ambitious and productive in meeting this challenge. It has delivered over 200,000 new houses through its Integrated Housing Development Programme (IHDP), an impressive achievement that puts the country at the forefront of affordable housing production in Africa. In the Lideta neighborhood this challenge has not yet been met even though Lideta is a high potential neighborhood - ideally located near the city center & major institutions - and has high unemployment and many poor quality houses that lack sanitation. This asks for innovative, sustainable and affordable solutions that use the neighborhood’s dynamic context and existing qualities to tackle these problems and create a place for everyone.

“Political support and commitment from the community are key, but move quickly because Ethiopia is in a hurry.”

Participant feedback session on development plan

CONTEXT

Addis Ababa is one of the major urban hubs in Africa. The consequence of that is a great demand for basic urban infrastructure and housing. The current housing gap is estimated at over 300,000 units, mostly for low and middle income residents. The demand for commercial real estate is growing fast. This translates into an increasing appetite for development in well-located neighborhoods from local market parties, diaspora and international investors.

The National policy focuses on guaranteeing affordable & standard housing for all, ensuring a balanced social mix and land development, achieving compact development through a densification strategy and improving quality of life in old & new neighborhoods.

OUR APPROACH

Cordaid and partners (Woreda 01, EiABC & WeLoveTheCity) have developed a new urban development strategy for the Lideta neighborhood that complements the approach of the Ethiopian Government. High density, green and replicable showcases that inspire Ethiopia and the rest of the world!

The Ethiopian government and Cordaid find each other in their hands-on mentality. Our goal is to improve the living conditions of residents in urban slums by creating access to basic urban infrastructure, services and housing. We are developing innovative, sustainable and affordable solutions in partnership with local resident associations, authorities, universities and international companies. Everything starts with the community, which is why Cordaid has been working in Lideta for a number of years. Cordaid and partners have conducted extensive field work, resulting in an ambitious Local Development Plan in 2014. We propose to supplement the current Mono Financing Approach of the IHDP with a Multi Financing Approach that lightens the burden on government. The key in our approach is a committed coalition of stakeholders that invest and reinvest a part of their profit in Lideta.

1. High-quality commercial block
2. Community & EiABC Sports Center
3. Improved roads according to section (diagram)
4. Mixed-income block with small business
5. Preservation of existing cultural spaces
6. Wastewater treatment & recycling center
7. Biomass processing plant
8. RET - Renewable Energy Tower

Light rail transit line

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Cordaid BUILDING FLOURISHING COMMUNITIES
# Urban Development in Addis Ababa - Ethiopia

## Two Complementary Approaches

<table>
<thead>
<tr>
<th>MONO FINANCING APPROACH</th>
<th>MULTI FINANCING APPROACH</th>
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<tbody>
<tr>
<td><strong>BY GOVERNMENT</strong></td>
<td><strong>BY COMMITTED COALITION</strong></td>
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<tr>
<td><strong>GUIDED BY NATIONAL POLICY</strong></td>
<td><strong>GUIDED BY NATIONAL POLICY + LOCAL VALUE CREATION</strong></td>
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The Ethiopian government is at the forefront of affordable housing delivery in Africa. The ambitious IHDP program is successful and could be well supplemented by a Multi Financing Approach. This will relieve pressure on government expenditures and create space for other policy priorities. Of all cities, Addis Ababa has the best cards to develop such an additional strategy. It has high potential neighborhoods where a process of public and private value creation drives densification for a range of income groups. A Multi Financing Approach should support the transformation of high potential neighborhoods into inclusive and self-sufficient areas. Cordaid calls upon local value creation, especially when existing social and economic networks benefit. The Government would then be able to redirect its money to peripheral neighborhoods in Addis Ababa, where public investments are the only way to improve basic infrastructure and housing. Local residents, who have been closely involved in studies and analysis, are open to this call for inclusive change.

### The Development Strategy

- **Innovating & green**
  - Global partners will be asked to develop innovative, sustainable and affordable solutions that preserve and develop the unique social and economic patterns in Lideta 01. This proposal is therefore structured on a proven formula, like the Internationale Bau Ausstellung (IBA). This is a worldwide call for consortia, who develop a great idea and a solid business case that includes the resources to guarantee speedy realization.

- **Upscaling & showcase**
  - The IBA, or other such formula, has an open and interactive character so that Ethiopia and the world can learn from the startup, planning, implementation and maintenance phases. In the upscaling phase, the most successful consortia and other investors will be invited to boost building production according to the lessons learned.

- **Reinvesting & everyone stays**
  - A Multi Financing Approach allows consortia to reinvest profits from commercial real estates into basic urban infrastructure and affordable housing. Through such a process of densification and local value creation, existing residents get a new home. The Government could contribute by reducing land lease fees, because it gets a lot in return: housing for all.

## About Cordaid

Cordaid is based in the Netherlands and has 11 country offices. We have been fighting poverty and exclusion in the world’s most fragile societies and conflict stricken areas for a century. Cordaid delivers innovative solutions to complex problems by emphasizing sustainability and performance in projects that tackle basic services, disaster risk reduction and economic opportunities.

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**JOIN US!**

We are currently looking for partners and investors to realize this project. Interested? Please contact us.