



GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

MINISTRY OF URBAN DEVELOPMENT & HOUSING

Resilient, Green and Accessible Urban Development Policy



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Government of the Federal Democratic Republic of Ethiopia

MINISTRY OF URBAN DEVELOPMENT & HOUSING

RESILIENT, GREEN AND ACCESSIBLE URBAN DEVELOPMENT POLICY

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ABBREVIATIONS

EC	Ethiopian calendar	GTP	Growth and Transformation Plan
GC	Gregorian calendar	MSE	Micro and Small Enterprise

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1 INTRODUCTION

Urban development constitutes a multi-dimensional development endeavor comprising industrial, commercial, infrastructural, and economic and social service related activities that require an integrated and synergistic approach. It is thus important to develop an all embracing general direction that will guide all the development-related activities towards the achievement of common goals and objectives in addition to their specific sectoral directions. Therefore, it is important to formulate an urban development policy which embraces this direction.

Because the direction and speed of urban development are determined by the direction and speed of rural development, the growth of the rural development will have significant impact on the growth of urban development. Similarly, because urban centers play a key role as market outlets for rural produce and suppliers of inputs to rural areas, rural areas will stagnate unless cities grow and expand. Therefore, only an integrated urban↔rural orientated approach will guarantee sustainable and steady growth that will benefit the public as a whole. Fostering rural↔urban linkages and promoting urban↔urban linkages will make more effective and increase the pace of development. Therefore, it is essential to develop an urban development policy that provides direction to and promotes rural↔urban and urban↔urban linkages.

Urban development cannot take place without good governance. Urban development will stagnate unless there is efficient service delivery, democracy, widespread public participation, the trickling down of the benefits of development to citizens, residents and communities, sustainable peace and stability as well as the supremacy of the rule of law. Thus, it is crucial to design an urban development policy that gives due attention to the interplay between urban development and good governance in general and the special characteristics and basic principles of good governance in particular.

In addition, since Ethiopia's existence and development trajectory is interlinked with the global economic order and other factors, our urban centers need a development direction that will enable them to grow sustainably and become competitive in the international arena. An urban development policy prepared giving heed to this context will enable our cities to become competitive at regional, continental and global levels. This means, enabling our urban centers to fulfill infrastructure and services as well as good governance so that they are able to provide the industrial base that will make them stronger competitors internationally.

For the reasons described above, this resilient, Green and Accessible Urban Development Policy has been developed in a manner that integrates and emphasizes the factors described, in order to ensure the policy provides a comprehensive and holistic framework for Ethiopia's urban development and good urban governance.

2 CHALLENGES OF ETHIOPIA'S URBAN CENTERS AND RATIONALE OF THE POLICY

2.1 THE FUNDAMENTAL CHALLENGES FACED BY URBAN CENTERS

The fundamental challenges faced by Ethiopia in general– problems concerning development and good governance – are also key challenges faced by Ethiopia's urban centers. Previously, owing to the low productivity of rural development, the country's urban centers failed to develop as market, service and industrial centers that supported rural development. Besides, urban centers have failed to develop strong supportive linkages with their rural counterparts as well as between urban centers that would enable them to become centers of development. As a result, they have become centers of abject poverty, and homes of destitute and unemployed residents. Because they were denied decentralized local governance established with democratic principles and because their administrators simply took orders from above, they gained little experience of good governance, the rule of law, transparency and accountability as well as public participatory processes. The main manifestations of the fundamental governance and development challenges faced by Ethiopia's urban centers are described in the following two sections:

2.1.1 Developmental Problems

- 1) **Ethiopia's urban centers do not have adequate basic infrastructure.** The majority lack potable water, access roads, and electrical power and telephone services and, where urban centers do have basic infrastructure, it has low coverage and is of poor quality. The coverage and quality of the infrastructure and services provided do not satisfy the needs of residents or of potential investors.
- 2) **Our urban centers do not have adequate quantity or quality of social services.** Although urban social services are generally more available in urban centers than in rural areas, coverage and quality are poor. While broad availability of social services is confined to a few cities, generally, for example, health services focus on curative aspects rather than preventative health and education services focus on academic education rather than giving priority to basic education and vocational training. For these reasons, it has not been possible to contain the spread of diseases that emanate from poverty and backwardness and existence of excessive numbers of educated unemployed and uneducated beggars in urban areas.
- 3) **Our urban centers have a significant shortage of housing and a problem of urban and neighbourhood decay.** There was a general lack of appropriate policy and strategy that is compatible with the ever-increasing urban population and expansion of development activity and that would help to construct houses in large quantity for low, middle- and high-income families. Besides, there was no a system for utilization of urban land, provision of finance and construction capacity building. Moreover, there was no policy and institutional capacity as well as an approach to demand and supply factors that integrates the needs and resources of potential beneficiaries (home- owners/occupiers) and the government. This has

resulted in severe housing shortage and old and dilapidated urban neighbourhoods. Most of the existing formal (legal) and informal (illegal) houses are of substandard quality that have been built contrary to existing land use plans.

- 4) **The shortage of recreational centers and incidence of pollution** are additional problems faced by urban centers. There is a lack of proper solid and liquid waste disposal systems, designated and well-managed green areas as well as local recreational centers. The majority of the urban centers have old and dilapidated neighborhoods many of which are teeming with illegal and substandard houses and suffer from pollution. Little attention has been given to regulating housing construction, protecting the environment, creating youth-orientated recreational centers and developing green areas. As a result, adolescents and the young are more likely to spend their time in delinquent activities.
- 5) **Our urban centers are often islands** because their creation and development has **not been fully integrated with**, nor realized the potential synergies available in, **their rural hinterland**. Even though the general objective of our economic policy has been agriculture-led industrial development, there was a general failure in terms of integrating urban and rural development as well as clearly outlining appropriate implementation strategies. Above all, as the past regimes (prior to 1991) did not give adequate attention to rural development and urban↔rural linkage, our urban centers were unable to escape the severe poverty trap. Our urban centers do not serve optimally as market or trading centers let alone realize their full potential as industrial and service centers. As a result, urban centers are unable to facilitate the development of the nation in general and rural areas in particular, and cannot benefit from the increased productivity that would result.
- 6) **Our urban centers exhibit unbalanced growth and lack complementary and synergistic development**. There is a wide developmental gap between Addis Ababa and other cities as well as between cities in the various regions in terms of population as well as volume and diversity of economic activities and social services. Although Addis Ababa is well ahead of other urban centers in terms of population size, economic growth and institutional capacity, problems such as limited coverage of infrastructure and services, the physical degeneration of the old parts of the city and the extent of poverty are more widespread and severe. Although urban centers in sedentary farming areas are generally relatively more developed than those found in pastoralist- or semi-pastoralist regions, their development has been taking place in the absence of appropriate urban planning tools as well as appropriate and comprehensive regulations. Apart from weak trade, industry and service related linkages, the national urban system has not benefitted from a spatially balanced and decentralized development approach. This was unthinkable in the past regimens because these governments lacked development policies and strategies that adopted an approach that focused on integrated rural-urban development and made all regions and citizens both participants in and beneficiaries of development. Although significant improvements have been achieved in terms of socio-economic development following the formulation of the agriculture-led industrial development policy, it was difficult to achieve a transformational leap at a desired speed and extent of implementation.

Thus, serious urban poverty and backwardness prevails in our urban centers which emanate from the developmental challenges described above. Furthermore, the growth of our cities has been sluggish in that they have not produced the economic, social, environmental or aesthetic benefits that can be achieved by dynamic and healthy urban centers. Instead of becoming development hubs for their surrounding rural hinterland, other urban centers and the nation, urban centers are characterized by high unemployment and destitution as well as rundown neighborhoods that have failed to satisfy the basic needs of their residents. In order to realize fully the benefits that can be achieved from the policies introduced in the 2005/06-2009/10 Plan for Accelerated and Sustained Development to End Poverty and the Growth and Transformation Plan 2010/11-2014/15, (GTP I), it is imperative to formulate an urban development policy that acts as a spur to the development of urban centers and fundamentally tackles the problems described.

2.1.2 Challenges of Democracy and Good Governance

- 1) **Our urban centers lacked an appropriate level of autonomy - politically, administratively and in terms of access to financial resources** – that reflects the principles of decentralized administration. Our urban local governments tend to passively follow the policies and directions of federal and regional governments as deconcentrated branches; their residents do not enjoy sufficient political or other executive authority sanctioned by law. Although some encouraging results have been achieved after the fall of the Derg regime in 1991, adequate and comprehensive autonomy of cities has not been realized until very recently.
- 2) **A democratic outlook and culture** that supports the creation of an organized civil society that is aware of its rights and responsibilities had not developed in urban centers. Urban local governments have suffered from anti-democratic and backward attitudes and habits.
- 3) **Urban Local governments did not have Participatory development and management tools and approaches.** Urban local governments did not adopt systems and procedures that encourage participation by all sections of the public at various stages in areas fundamental to development and good governance in a sustainable manner. For example, in idea generation, decision-making and implementation as well in exercising their due rights to sharing the benefits.
- 4) **Urban local governments did not have Leadership having attitude and working procedure** to sustainably guide and support developmental investors.
- 5) **Urban local governments did not have an efficient bureaucratic system** combined with the political leadership that guarantees transparency, accountability and rule of law. Urban local governments did not have an appropriate organizational structure, working procedures and trained personnel that recognize and respond to the unique characteristics and mission of cities.
- 6) **Urban local governments did not have Financial autonomy to mobilize and expend own-source revenues.** Urban local governments frequently suffer budgetary deficits and lack dependable revenue sources. Moreover, they lack the attitude and basic orientation that would enable them to collect and diversify their revenues as well as to wisely utilize the resources at their disposal.

Overall, the lack of democracy and good governance, which is a cumulative effect of all of the above mentioned challenges, has overwhelmed the country's urban centers for quite a long time. Even at present, cities are yet to register a transformational and sustainable change. It is, therefore, prudent to formulate an urban development policy that can help tackle these problems.

2.2 THE RATIONALE OF THE POLICY

Devising a holistic urban development policy that can promote urban development and good governance is crucial to solving the aforementioned problems. Since the lack of such a policy is one of the root causes of these problems, a comprehensive policy that helps tackle the various challenges identified, describes the role of cities in national development and democratization, offers a vision for a rapid and equitable development in urban areas and points out the normative characteristics of good governance and that can help realize these goals must be designed and approved.

The Resilient, Green and Accessible Urban Development Policy is therefore formulated in a manner that identifies the role of cities, and provides direction for the realization of decentralized and balanced urbanization and strengthened rural-urban and urban↔urban linkages. The policy describes how, operationally, rapid urban development can be realized by:

- The promotion of micro and small enterprises,
- Proactive land development,
- Integrated housing development,
- Provision of infrastructure,
- Provision of adequate social services, and
- Promotion of local development.

Besides, the Resilient, Green and Accessible Urban Development Policy emphasizes the fundamental contents and utility of urban planning. It also stipulates a general direction for the establishment of development orientated urban local governments and the realization of good governance. Accordingly, apart from outlining the operational means to create participatory development as well as efficient, transparent and accountable local administration, the policy is designed in such a way as to enable urban centers to move progressively toward enhanced democratization and good governance as well as strengthened developmental and democratic government and civil society.

3 POLICY VISION, OBJECTIVES, PREMISES AND PRINCIPLES

3.1 VISION

The Vision of the Resilient, Green and Accessible Urban Development policy is realizing the development of complementary, prosperous and internationally competitive urban centers, which will also serve as centers of development for their hinterlands and paragons of democracy, by enabling them to generate development and deliver efficient services to their inhabitants and ensuring their livability through plan-led development.

3.2 OBJECTIVES

- 1) To enable cities to become centers of development and play a significant role in bringing about sustainable rural and national economic development;
- 2) To enable urban dwellers to attain the standard of living currently achieved by peoples of middle income countries by giving them the authority they need and the capacity to exercise that authority fully and by enabling them to be beneficiary of the development

3.3 POLICY PREMISES

3.3.1 The Federal System

Given the federal nature of Ethiopia's governance structures, the country's urbanization process is expected to result in the development of a number of major cities. The federal constitution and legal framework recognizes that cities have significant autonomy with self-rule based on the principle of decentralized governance and the wide mandate that is given to regional states in terms of administering the urban centers within their jurisdiction.

3.3.2 Ethiopia's Development Strategies

i) Rural and urban Linkage

As one of the key drivers of urban development, rural development determines the direction and pace of urban development. This is because industrial, service and commercial orientated growth that takes place in urban centers is dependent on surplus labor, agricultural surpluses and natural resources generated in rural areas. On the other hand, urban centers play an irreplaceable role in terms of advancing rural development and ensuring its sustainability. This is because urban centers provide development hubs that serve as market outlets for agricultural and other rural-based resources, centers of commerce and industry and providers of critical infrastructure and services that also cater for residents in the surrounding rural areas. Accordingly, the policy has been designed with, among other purposes, the aim of strengthening the complementarity and multi-dimensional linkages between rural and urban areas and identifying those areas in which

synergies that contribute to growth and development can be realized and where the role of urban centers is unique.

Because the government's national development strategy is based on achieving balanced development in the entire country by efficient and wise utilization of the country's labor and other natural resources, it is important to develop cities that can serve as centers of decentralized development and that contribute to balanced development. For this reason, the Resilient, Green and Accessible Urban Development Policy, based on this development strategy has designed direction for decentralized and balanced urbanization.

ii) The industrial development strategy adopted by the government

The industrial development strategy which has its basis on the nation's development strategy makes major urban centers the main hubs of industrial development and enables even small urban centers to serve as agro-processing centers by utilizing local agricultural production and surplus labor. Accordingly, the urban development policy has designed a mechanism for major cities to develop into industrial and development centers by using the agricultural produce, natural resources and labor of their localities. The urban development policy specifically identifies how medium and large urban centers can provide potential investors with well-trained human resources and with the quality and quantity of infrastructure and services that are affordable, which are among the prerequisites for industrial development.

In general, the foundation for the urban development policy and the strategies developed are the federal governance arrangements and decentralized systems adopted in the political and administrative arena as well as the rural and industrial development strategies in the development arena. Therefore, by fostering decentralized administration and supporting the successful implementation of national development strategies, the policy will enable our cities to register rapid and sustainable development.

3.4 PRINCIPLES

- 1) To enable urban centers to forge sustainable linkages and complementarity with their rural hinterlands as well as other urban centers;
- 2) To enhance opportunities for the growth and development of all urban centers by creating a balanced national urban development system;
- 3) To enable urban centers that play differentiated economic roles to grow in a complementary manner by promoting decentralized urbanization;
- 4) To make the reduction of poverty and its eventual eradication a center piece of urban development;
- 5) To promote the participation of the public in development activities and make citizens and residents both the owners and beneficiaries of urban development initiatives, pave the way for a broad-based public mobilization towards the achievement of extensive and sustainable development and good governance, and promote development initiatives that are based on the identifiable needs of the population while taking into account their capacity to do so;

- 6) To establish strong partnerships with developmental investors; and
- 7) To grant wider autonomy to urban centers in managing their own affairs by promoting a decentralized administration system.

4. THE ROLE OF URBAN CENTERS IN NATIONAL DEVELOPMENT AND DEMOCRACY

4.1. In National Development

4.1.1. Urban Centers Play an Indispensable Role in Speeding up Rural Development.

Even though the direction and pace of urban development is determined by that of rural development, unless urban centers grow as commercial, industrial and service hubs, the growth of rural areas will be constrained. Thus, it is possible to expedite rural development by enabling them to perform this role.

4.1.2. Urban Centers as Commercial Centers

Urban areas are the location where agricultural and industrial commodities that are imported from other cities of the country and abroad as well as those to be exported to these regions are bought and sold. If cities are capacitated with adequate infrastructural, services and institutions that meet minimum requirements for marketing, they can serve as commercial hubs. In addition, cities that are well endowed with infrastructure and services can facilitate successfully forward and backward linkages between the agricultural and industrial sectors as well as those between different industrial sectors.

4.1.3. Urban Centers as Service Centers

Intermediate- and high- order services, which serve both urban and rural dwellers, flourish in urban centers. If the growth of cities is guided in this direction the services in urban centers could also serve the rural population; support the development of other social services and economic activities in rural areas, and ensure the competitiveness of cities that depends on the availability of quality and quantity of infrastructure and services as well as their affordability.

4.1.4. Urban centers as Industrial Centers

Agro- industries and other manufacturing establishments flourish in urban centers, which provide fertile grounds for the processing of agricultural and other inputs into manufactured commodities thereby adding value to the national economy as well as speeding up the development of the industrial sector. Moreover, it is urban centers that provide the infrastructure, services and trained personnel that serve as the basis for industrial development.

4.2. In Building a Democratic System

4.2.1. The Development of Cities Strengthens Integration between Peoples

The growth of cities provides a means of strengthening rural⇌urban and urban⇌urban linkages, which result in the concentration of population in one area, and catalyzes social and economic ties between the inhabitants of urban centers and their rural hinterlands.

By serving as a bridge in the transition from an agrarian economy to a more developed industrial and service-based economy, cities provide a positive symbiosis between people. Therefore, by enabling strong economic and social ties, cities will serve as a basis for forging strong unity among people.

4.2.2. Cities Serve as Paragons of Democracy

Democratic culture and thinking, democratic institutions, diverse and stronger political parties and media flourish to a greater degree in urban centers than in rural areas. Cities can thus serve as centers for democratic and scientific thinking as well as research and art.

4.2.3. Growing Cities Create Strong Democratic and Economic Foundations

Democracy has a better chance to establish and sustain itself in urban areas that have strong industry-based economies, rather than in rural areas characterized by a scattered agrarian economy. In this circumstance, science and technology that helps to promote democracy become more fully established because, expanding urban areas contain increasing numbers of citizens who are better educated and easier to mobilize so that they are able to recognize and exercise their rights and responsibilities. Therefore, urban populations will have greater capacity to stand up for human and democratic rights.

5. ACCELERATED AND EQUITABLE DEVELOPMENT IN URBAN CENTERS

5.1. Expanding Micro and Small Enterprises

A major corner stone of our urban development efforts will be the expansion of micro and small enterprises (MSEs). This is because MSEs play a pivotal role in mitigating urban poverty and bringing about rapid and sustainable development as well as guaranteeing that the benefits of development accrue to the general public. In addition, by promoting forward and backward linkages within the economy, micro and small enterprises help to strengthen the economic base of urban centers as well as create economic linkages between urban and rural areas and the developmental investors and industrialists of the future. In due course, some MSEs will become medium and large enterprises.

5.1.1. Establish strong executing institution in Urban Administration that provides Support & Leadership

The developmental support and leadership given to micro and small enterprises should be comprehensive that identify, integrate and respond to the many challenges faced by MSEs one-stop shops in a sustainable manner. The organizational structure to be adopted at the city level may vary depending up on the local context.

The administrative organs to be established by the federal, regional and urban local governments which facilitate the provision of integrated support in one stop shop service center should be appropriately organized and have adequate capacity. The focal executing institution that facilitates the provision of support to MSEs should have an appropriate organizational structure, adequate number of trained personnel and clearly outlined working procedures, which enable it to provide its own support and at the same time effectively coordinate the various types of support to be offered by other institutions. The provision of one stop shop service centers should eventually be

supported by modern information and communication technology. Those enterprises seeking business development support should identify the challenges they face through self-organized cooperatives. This arrangement will enable MSEs to join forces in order to tackle the operational problems they face. They should plan and implement activities in collaboration with urban local governments that provide support to MSEs - based on their own needs, vision and capacity - and be implemented with their active involvement as the main beneficiaries. In particular, the main responsibility of ensuring their competitiveness and expansion should be entrusted to the MSEs themselves.

The provision of organized and continuous support to MSEs by the government should be based on market principles and has to be implemented in a manner that would ensure their competitiveness and following a developmental approach. The objective should always be to increase the number of enterprises, by supporting those to be newly established, strengthening those already in business and, in case of those that prove to be competitive, providing support so that they can graduate into medium-sized enterprises.

5.1.2. Solving MSEs' Market Problems

MSEs can only generate profit and sustainably grow if they are able to supply to the market goods and services that have good quality and at reasonable prices. As the objective of the government support is to make them competitive, the following are the roles to be played by governmental institutions at all levels to solve the market related problems to be faced by micro and small enterprises:

a) Allowing them to supply goods and services for governmental development projects

MSEs should be given priority and market opportunity in terms of advance payment, direct contracts and similar procedures to enable them supply competitive products and services so that they can benefit from government development projects in their efforts to become competitive.

b) Facilitating sub-contract arrangements with big domestic companies

It is a responsibility of urban local governments to identify national companies that would purchase products that can be supplied by MSEs and facilitate contract arrangements between big companies and MSEs that can supply these products at the required quantity, quality and price. Apart from the support to be provided to the MSEs during the negotiation and sub-contracting process, additional support including skill orientated professional training and logistics can be provided to these MSEs so that they can expand their markets.

c) Liaise them with foreign companies so that they can partake in the international market

Urban local governments should identify foreign companies or their subsidiaries that would purchase products that can be supplied by MSEs so that they can link them with those MSEs that can supply such products at the required quantity, quality and prices. Especially, since the penetration of international markets is very difficult, it would be necessary to integrate the search for buyers and the capacity to supply the products at the required time, quality and quantity. The provision of subsidies to MSEs, which may be justified so that they are able to penetrate international markets, should be seen as a

transitory arrangement. It will also be important that urban local governments provide capacity building support to assist MSEs during the negotiation and contract signing processes.

d) Facilitating their access to market information from one stop centers and providing them with opportunities to promote their products

It is important to give sustained support to MSEs so that they get timely information about domestic and foreign markets as well as opportunities to advertise their products in exhibitions and by other means.

e) Providing them with working and marketing premises

It is important to solve the problems MSEs face in getting access to accommodation for producing and/or selling their products by constructing standard manufacturing and marketing premises for MSE operators for rent and support and encourage them to construct either individually or collectively.

5.1.3. Address MSEs' Leadership and Skill Constraints

Regional states and urban local governments should:

- 1) Put in place **industrial extension programs** equipped with well qualified staff and detailed working procedures, which can execute integrated training programs in leadership, entrepreneurship and vocational skills.
- 2) Expand **vocational training and technology promotion centers** and ensure their main focus is producing well-trained personnel with entrepreneurial capabilities as well as undertaking technological improvement tasks. In this regard, put in place and execute a system for providing **industrial extension services** that promote the expansion of MSEs.
- 3) Apart from regular training provided to new trainees a) offer **periodic and continuous training on entrepreneurship, leadership and professional skill sets** to trainees, and b) offer **periodic and continuous short-term practical training to owners and workers** of longstanding MSEs, by developing curricula, training materials and ensuring that there are competent trainers in training centers established for this purpose and that training is provided as part and parcel of the industrial extension system.
- 4) Make sure that training is demand driven and problem solving by defining training contents based on thorough **training needs assessments** that take into account facts on the ground and current leadership and skill set needs. Moreover, continuous review and assessment should be made of the training programs to make appropriate modifications in content of training materials as well as teaching methods to be adopted.
- 5) Organize MSEs around working premises built by themselves or arranged by the government to facilitate **horizontal learning and the provision of integrated training**, give priority to those enterprises that have **organized themselves in cooperatives**, make sure that MSEs **register continuous improvement** in productivity levels and quality of products by implement the **Kaizen principles**, adopt the system for **building a change army** to implement continuous

improvement.

- 6) Provide **opportunities for MSEs to be beneficiaries of apprenticeships and competency certification programs**, which should be implemented by strengthening the systems established for these purposes.

5.1.4. Support in Addressing MSEs' Financial Constraints

Regional states and urban local governments should:

- 1) Organize and encourage MSE operators to **develop their savings culture** so that they can get access to business loans and ensure sustainable development.
- 2) Promote the **establishment of micro finance institutions** that can provide small loans to MSEs at lower interest rates and facilitate the establishment of micro finance institutions by local government or other entities.
- 3) Encourage the **establishment of capital lease companies or those selling machinery or equipment** under a long-term loan arrangement and issuing regulations and directives that would outline on how such companies will be organized and supported.
- 4) Establish **an MSE special fund**, by either regional or urban local government, to provide collateral for business loans received by MSEs that have proven their credit worthiness either by practice or possessing competency certificates.
- 5) Ease their financial problems by establishing an attractive **advance payment system**.

5.1.5. Address MSEs' Access to Working and Marketing Premises constraint

Regional states and urban local governments should:

- 1) **Provide land with basic infrastructure and identity in advance land suitable for construction of MSEs premises** to be rented at reasonable prices.
- 2) On the land that is designated for MSEs, urban local governments should either **build manufacturing sheds** that can be rented by MSEs or **provide assistance to MSEs so that they can acquire suitable land to build their own premises** following standard designs.
- 3) Where enterprise clusters are developed, MSEs that are in similar lines of business should be encouraged to **organize themselves into cooperatives** so that they can get **priority in training provision, loan disbursement and machinery hire**.
- 4) In those circumstances whereby MSEs are scattered (i.e., not clustered), urban local governments should take initiatives to provide pocket **plots on lease to MSEs individually at the Kebele or neighborhood level** as might provide pocket be appropriate.

5.1.6. Establishing MSE Cluster Centers

Regional states and urban local governments should:

- 1) As capacity allows establish especially in large and medium urban centers, enterprise clusters that provide **practical training to MSEs** on entrepreneurship,

leadership and skill sets to start-up enterprises and offering competency certification services so that MSEs can independently operate in the market,

- 2) **a) provide integrated support for trainees to acquire** equipment and machine hire, working space rental and training on service charge b) enable MSEs to raise their productivity, which will help them to become more competitive and generate wealth by providing training centers with the required equipment and machinery as well as competent trainers.
- 3) These **enterprise clusters can be established and managed by companies to be formed by regional governments, urban local governments or non-governmental organizations**. The aim is not to maximize profit, but to enable micro and small enterprises to expand their business and improve their competitiveness thereby speeding up the country's development.

In conclusion, rapid, sustainable and equitable development can only be realized by promoting rural/ agricultural development and implementing integrated urban development that is anchored in the development of MSEs. Urban local governments should provide holistic and integrated support to MSEs to ensure their expansion and competitiveness. This can only be realized if the focal institution established to coordinate the provision of integrated services to MSEs: a) is sufficiently competent in identifying potential buyers for the produce of MSEs and b) establishes enterprise clusters where MSEs have access to training, finance, production space, equipment and machinery. To implement this, a defiled sectoral strategy shall be designed and implemented.

5.2. FACILITATING LAND PROVISION

5.2.1. Land Policy

Ethiopia's constitution states that "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 or to other means of exchange." The urban land policy reflects the constitutional principle and ensures the right to rent and use urban land for a specified period of time. Since land belongs to the government and the people, the government can either reserve land that is required in the future for public purposes, or in case of land that is already occupied, repossession and pay compensation to the owners of any recognized title to the property. The policy helps to stabilize the prices of land and real estate, and will be instrumental in ensuring that land is equitably distributed among the various segments of the society including the poor and the rich. Providing urban land under a lease arrangement and at reasonable prices with sufficiently long repayment period is beneficial for individuals acquiring leasehold rights to land as they would otherwise have to spend lot more money if they were to buy and own the land. The lease arrangements reduce the amount of initial capital required and hence promote new urban-based investment that will add significant momentum to the country's development. Such an arrangement, which recognizes and applies free market principles, will help in achieving rapid, sustainable and equitable development by stabilizing the prices of land and property; ensuring effective use of land for worthwhile ventures; and facilitating equitable allocation of residential land among different sections of society. The

leasehold arrangements also provide the foundation for rapid and sustainable socio-economic development, the benefits of which will accrue to the general public. In general, if a strengthened implementation capacity for the management of urban land is created and if appropriate understating is created with the public about the benefits of public ownership of land to the wider economy will, apart from speeding up the urban development activities, serve as a tool for consolidating the free market economy.

5.2.2. Land Provision Principles

Regional states and urban local governments should:

- 1) Ensure that (as urban land is a key yet scarce resource) **land within urban boundaries should be utilized economically and as per approved urban plans and based on priorities accorded to specific land uses** .Thus, urban land should be utilized for the designated function sequentially in accordance with the approved urban plan
- 2) Adopt an efficient and sustainable provision system that gives **priority to activities that speed up economic and social development** and that **stabilizes land prices**
- 3) **Provide sufficient urban land** so as to reduce the development of congested neighborhoods as well as ensure integration between the spaces allocated for residence, work and recreation.
- 4) **Facilitate Provision of land at affordable price for low-income families** for constructing their own houses where they can also undertake home-based income generating activities.
- 5) **Make land available through auction for the construction of residential and commercial buildings by private investors** (which they can either sell or rent) through efficient, transparent and accountable processes.
- 6) **Establish systems for registering title deeds and determining functions of buildings** constructed as well as ownership certificates and property transactions.
- 7) Ensure that **land provided for residential and commercial purposes** is provided with the requisite integrated infrastructure.

5.2.3. Priorities for Land Allocation

Land should be made available to users mainly through auctions or administrative allocations after making a thorough assessment of size, location and topographic and soil characteristics as well as its intended purpose. The utilization and provision should be in the following order.

- 1) For industrial establishments, for production and marketing premises of micro and small enterprises;
- 2) For low-cost housing (as a priority) and other residential houses;
- 3) For social and economic services,
- 4) For other commercial establishments, and
- 5) For recreational functions.

Kebeles and sub-cities should allocate land for these functions in proportional and mixed

manner (with the exception of land to be allocated for industry) as per the above defined priority/order. The allocation of land should be harmonized with the approved land use plan of the city/neighborhood under consideration. Especially, the allocation of land should be handled in a manner that will result in the development of mixed residential neighborhoods, mixed land uses comprising residential and commercial functions, and green spaces and recreation centers at the neighborhoods level.

5.3. HOUSING DEVELOPMENT

5.3.1. The Role of Housing in Urban Development

The undertaking of a housing development program in urban areas that would meet basic housing standards and cater for all sections of the society will have significant contributions to urban development by getting rid of dilapidated and congested housing, solving the shortage of residential housing, promoting a savings culture and creating job opportunities. Thus, urban development initiatives at federal, regional and local levels shall provide special attention to the execution of integrated housing development programs.

5.3.2. Housing Development: Expanding Low-Cost Housing at its center

Housing development assumes provision of housing for all sections of the society, i.e. rich and poor. In this regard, the main focus of the government is to expand provision of low-cost housing which offer different options. Since low cost housing can not supplied in the housing market in sufficient number and at affordable price, the government takes the responsibility for providing low cost housing to poorest families. For this reason, the expansion of government-led low-cost housing programs will be the key purpose of GoE's housing development programs. The main focus of urban local governments will be to help the majority of the population to acquire low- cost housing as well as rehabilitate existing houses and neighborhoods that are in a poor condition. In this regard, urban local In addition, urban local governments and regional governments should

governments should:

- Facilitate the acquisition of and provision of infrastructure and services to land,
- Develop or promote alternative standard housing designs and appropriate construction technology,
- Help residents to develop and use land holdings effectively,
- Expand infrastructure and social services in each Kebele or neighborhood,

In addition, local governments and regional governments should:

- Build as much low-cost housing as their capacity allows by mobilize housing finance for the construction of low cost housing by borrowing money (by selling bonds) from banks,
- Encourage and provide support to their residents to form housing cooperatives, and construct houses.

5.3.3. Direction of expanding Low cost Housing

An important task for urban local governments is to:

- Provide serviced (infrastructure and services) land for the construction of low-cost housing,
- Provide alternative designs for low- cost housing, and
- Encouraging home-owners to maintain their old houses by way of improving neighborhood level infrastructure and social service provision.

With this support from urban local governments, city residents can make a significant addition to the existing housing stock as well as maintain the existing housing stock to a satisfactory standard.

In addition, urban local governments and regional governments should, depending up on their capacity, borrow money from banks for financing the construction of low-cost houses to be transferred to low income households under long-term payments, which would enable them to become home- owners. The low cost housing units to be built by urban local governments should form part of condominium projects, which use less land and land that can be serviced at lower cost and employ low-cost designs and construction technologies. In smaller cities, the program should be implemented in such a way that it encourages the participation of the beneficiaries' labour and encourage job creation.

The major sources of finance for low-cost housing programs will be mortgage finance (i.e., long-term loans to be obtained from banks) together with the personal savings of potential homeowners or purchasers. Finished houses will be transferred to the beneficiaries by means of affordable down payments, low interest rates and long-term repayment arrangements. Mortgage loans should be repaid within 15 to 20 years.

The construction of low-cost housing by urban local governments and housing cooperatives should be in a manner that will help upgrade dilapidated neighborhoods and improve the image of cities. This can be achieved by identifying existing vacant or poorly utilized land and by demolishing neighborhoods with sub-standard or illegal construction within existing built-up areas of urban centers. Residents of houses to be demolished in these redevelopment or renewal schemes should be given the priority to purchase condominium units built in a nearby location. In relation to this, investors who will build and rent out affordable houses to low-income households should get support from urban local governments including the provision of land, infrastructure, alternative designs and construction materials;

The Kebele or local development plans prepared should clearly outline strategies for upgrading old neighborhoods, and the strategies identified should be implemented as per a joint action plan developed through public discussions. The construction of new low-cost housing by urban local governments or housing cooperatives should follow clearly defined construction standards and neighborhood development plans. The task of convincing the public that programs are in the public interest and strengthening the implementation in accordance with the joint action plans should be taken seriously;

Enact and implement regulations for the demolition of houses and other structures, whether legally constructed or not, and which are constructed before issuance of this

policy, if they were built in contravention with city plans, or simply because they are below standard, unhealthy, in a dangerous location, etc. Those whose houses would be demolished should be given replacement plots or priority to buy condominium units. Besides, it would be important to pay compensation to owners of demolished housing units that were built with official permission. In the case of substandard houses that may not be demolished because they are legally built or not urban local governments should improve neighborhood level infrastructure and services based on neighborhood development plans to encourage their owners to improve such units or take measures towards their eventual replacement by low cost housing;

It would be the responsibility of urban local governments to take appropriate action when houses or other structures that are below approved standards are built do not conform to approved city plans or were built without a municipal permit. To this end, regional and urban local governments should enact regulations pertaining to the construction of informal/illegal houses, develop and publish minimum standards for housing construction and building permits, and ensure that the public is aware and thoroughly understands and respects such regulations and standards

It would also be important to provide land and infrastructure and prepare neighborhood plans in a manner that ensures the development of mixed residential areas where low-cost houses and condominium buildings are within the same neighborhood as middle-income and high-income housing; ensure that low-cost houses are not built as enclaves or at the outskirts of urban centers and far from places of employment. Besides, ensure that housing neighborhoods incorporate appropriate space for commercial and recreational activities. Allow some units within condominium buildings to be used for business activities where these are compatible with residential functions. Ensure that green areas and open spaces that provide as recreational facilities are provided as part of condominium neighborhoods As much as possible, engage MSEs during the construction of low-cost houses; and ensure that owners of low-cost houses have full ownership of their houses after they finish paying off the price of their homes.

Regulations that will define the contract procedures to be followed between real estate investors who build and sell houses and those who buy them, the rights and responsibilities of renters and tenants, and the quality standards to be adopted when constructing houses will be developed.

5.3.4. Support Housing support Development by Private Sector

Private investors play a significant role in the construction (for sale or rent) of residential and commercial buildings for high-income and middle-income households. Thus, to support developmental investors engaged in housing development activity, urban local governments should encourage them by;

- Providing suitable land and infrastructure,
- Ensuring adequate supply trained personnel for the design and construction of buildings,
- Taking measures toward strengthening tenure security and property rights as well as property transactions, and
- Arranging consultative forums for communication and problem solving.

Since land is owned by the government and the people, the provision of housing will be optimized and enhanced when the government provides land, infrastructure services and the private sector mobilizes construction finance and technology which will create suitable condition to speedup housing provision in partnership. The government should support real estate investors to produce construction materials using locally available materials.

5.4. INFRASTRUCTURE PROVISION

While the main direction of providing urban infrastructure is to ensure rapid development, and its execution is on a cost recovery basis. The provision of various types of infrastructure in cities is prioritized by considering their contribution to economic and social development. Accordingly, attention needs to be given to **ensure that there is equitable coverage and quality of infrastructure to support rapid development.**

Based on this direction, it is important to execute the expansion of infrastructure through joint efforts of the government, the private sector and the public.

First priority and which should be given for all urban centers is the provision of potable water. Water supply services should be provided by regional governments and urban local governments by adopting cost recovery principles. Urban water supply projects should be carried out using the government budget, while the public should be encouraged to make its own contributions in terms of labor or finance. Quality, efficiency, equitable distribution of services and effective maintenance of water distribution systems should receive utmost priority. In order that urban local governments are able to realize these requirements, concerted capacity building supports will need to be provided by federal and regional governments.

The provision of roads is next in priority after potable water. Gravel surfaced feeder roads should be built in each neighborhood to allow access to emergency vehicles such as ambulances and firefighting trucks as well as other service trucks such as those for solid and liquid waste collection. As regards asphalt roads, it would be necessary (as capacity permits) to make all main roads asphalted. The main focus of urban local governments should be to: a) build roads of standard quality that are provided with pedestrian walkways in accordance with city plans, and b) expand their road maintenance capacity. The public should be encouraged to support the construction of roads by contributing labor and money.

It is also important to make **telephone services and electricity** available in all urban centers in prioritized manner. The various levels of government from the federal down to the city level should do their best to support the expansion of these infrastructure and services by ensuring that their planning, delivery and management is coordinated with city plans.

City administrations should encourage the establishment of **intra-urban transport services** by private business and, as their capacity permits, expand public transport services adopting a cost recovery approach.

5.5. EXPANDING SOCIAL SERVICES

5.5.1. Expanding Education and Training in urban centers

The education and training policy adopted by the government and the accompanying legal frameworks and programs should be fully implemented in all urban centers. Urban residents should be encouraged to participate on a continuous basis in educational and training related tasks that include planning, execution and evaluation as well as making financial and material contributions for the construction of schools so that they become the real owners of these services.

Urban local governments should ensure that school surroundings are suitable for education and do not encourage improper conduct. Activities that are incompatible with education of children, distract students from their education or even tempt them to risky behaviors should not be permitted in the vicinity of schools.

Private businesses and non-governmental organizations should be supported and encouraged to participate extensively in the provision of educational and training services. The support of urban local governments in this connection should be to:

- Provide land and infrastructure,
- Create systems such as consultative forums that help coordinate educational activities,
- Ensure the safety of educational institutions, and
- Provide efficient municipal services.

Achieving the above mentioned tasks requires promotion of a broad –based movement, which is anchored to education and training and aims to create engaged, knowledgeable and useful residents, by bringing together educational management, teachers, students, parents and urban local governments.

5.5.2. Expanding Health Services

Health services provision in urban areas should focus on implementing Ethiopia's health policy and the associated regulations and guidelines. In particular, it is important to expand health services that focus on personal and family as well as environmental hygiene for disease prevention and that give priority for expansion of basic health services institutions. This can be done through designing of health extension system that takes into consideration the specific health related challenges faced by urban centers and prevention of pollution. Special attention should be given to measures aimed at preventing communicable diseases because of unmanaged waste that can cause water, food and air pollution as well as containing HIV/AIDS and other contagious diseases. In this regard, bringing awareness and attitudinal changes and creating institutional capacity will be key areas of focus.

It is important to create a strong and enduring consensus between government and the public and define specific roles to be played by the government, the general public and the private sector in the process of planning, execution and evaluation of health related activities. It is also important to ensure the continuity of measures introduced by promoting mass-based movements that focus on issues pertaining to public health.

Concerted awareness raising efforts should be made to achieve attitudinal change on the part of the general population regarding personal and environmental hygiene making financial and material contributions for the construction of health facilities. The public should have organized participation in guiding their neighborhood sanitation and oversight of health institutions (by being involved in planning, execution and evaluation related tasks).

It is important to encourage the private sector and non-governmental organizations to be involved in the provision of health services. Urban local governments should support this by facilitating access to land and infrastructure as well as expediting licensing procedures and the provision of other support. In addition, there should be tight regulation to eliminate substandard or harmful medical practices whether formal or traditional. It is also prudent to strengthen the regulatory system to ensure that all those selling medicines and medical equipment as well as those providing health services meet accepted medical standards, conduct their business in accordance with policies, regulations and directives issued by the government and do so in a transparent and accountable manner. The government should deliver effective regulatory services that meet the expectation of the general public step by step and enhance its capacity to effectively discharge its regulatory functions.

5.5.3. Expanding Recreation Centers

Adequate attention should be given to:

- The establishment of recreation centers for the youth and women both at the city and district levels by urban local governments, community-based organizations and investors;
- The provision of land and infrastructure for this function and deliver vocational training, counseling services, information education and communication (IEC) materials, library, sport and music entertainment in the centers and
- Setting aside adequate and suitable land for, and developing: parks, green areas, other public spaces, sport and recreational facilities as part of city wide or district level planning and implementation efforts .

5.6. CITY CATEGORIES, URBAN PLANNING AND ENVIRONMENTAL PROTECTION

5.6.1. City Categories

As not all urban centers are at the same level of development or have the same functional requirements, it is necessary that a formal system of categorization for urban centers be developed based on their level of development and (potential) roles and provide capacity building and development related support on the basis of this. Categorizing cities helps to define the kind of support that may be provided to individual cities, and should be calibrated taking into account the challenges they face and their (potential) roles. The categorization system will also be important in order to strengthen linkages among urban centers belonging to different categories as well as promote their shared interests and achieve balanced growth. Unless major cities take the lead in spearheading development

within their own area of jurisdiction, within the surrounding rural areas, and establish strong ties with intermediate urban centers, the growth of intermediate and small urban centers will inevitably be hampered. Moreover, unless small and intermediate urban centers across different localities and regions grow, it would be difficult to achieve rapid, sustainable and balanced development in the country.

Therefore, it is important to devise clearly defined criteria for categorizing cities. The main criteria to be adopted in categorizing urban centers will be:

- 1) Their population size;
- 2) Their role as political centers;
- 3) Their potential to serve as development centers and commercial hubs for their hinterlands, based on their settlement density as well as economic potential (to be determined by their relative strength to serve as market centers, service centers, and industrial centers); and
- 4) Their role as historical and cultural centers.

After attaching relevant weights to each criterion,

- 1) The federal government shall categorize major cities,
- 2) Regional governments shall categorize cities under their jurisdiction, and

These bodies will execute by issuing city categories weighing formula.

5.6.2. Urban Plans

The general direction to be adopted in urban planning should take into account rural⇌urban and urban⇌urban linkages and put in place measures to strengthen such linkages. Urban plans should integrate socio-economic development plans with land use plans. The preparation of urban plans should also take fully into account the recommendations and strategies proposed in approved national and regional development plans. In order to ensure that urban plans result in rapid and equitable development, they should clearly articulate and integrate the roles of the government, public and private sectors. Urban plans should involve these actors in a continuous dialogue to ensure that they all share in the benefits. It is important to ensure that the urban residents are the prime owners during preparation and implementation.

As regards their implementation, urban plans should integrate capacity building plans and budgets; be legally approved and be backed by law to guarantee transparency and accountability. Thus, the prepared urban plans should enable urban centers to develop in an orderly manner and make them competent centers of development. Urban plans should also have a legal backing for their enforcement so that urban centers are suitable for living and work and ensure safety and convenience for residential and professional life.

5.6.3. Environmental Conservation and Sanitation in Cities

Adequate attention should be given to environmental protection both by the government and city residents to ensure that urban centers, which are experiencing unprecedented growth and expansion, do not suffer from congestion and pollution. In addition to enforcing federal and regional-level policies, strategies and regulations for environmental

conservation waste management, urban local governments should implement the following environmental protection and sanitation-related measures:

- 1) **Reserve land for the development of green areas** both at the city and district level, and mainstream environmental conservation and waste management in all urban development related tasks;
- 2) Create adequate and sustainable **capacity for regulating pollution and sanitation** related problems by arranging the necessary personnel, organizational structure, working procedures and legal frameworks;
- 3) Devise and implement a working system that clearly **delineates the roles of urban local governments, the private sector and the public** so that all three can work together in a coordinated manner towards the prevention and removal of solid and liquid wastes;
- 4) Create a system that encourages organizations and households to take responsibility for **tree planting and development of forests or plantations** within compounds of government institutions, residential houses, in road side locations, areas designated for parks or along river courses as well as the mandatory replacement of trees and plantations when they have to be removed either because they are old or needed for other purposes. Establish a system to use their fruits for those to be engaged in the developing trees and other plantations;
- 5) Establish a system for **waste recycling** and encourage those engaged in waste recycling; promote **appropriate technology** that can be used for recycling purposes at the level of households, institutions, neighborhoods and city levels; manage the **green development strategy** in combination with solid waste management,
- 6) Bringing about **attitudinal changes** in residents and communities by making **pollution control and environmental conservation** a strong part of local cultures, and beliefs and ensuring a continuous and coordinated public participation and ownership of environmental conservation and sanitation in cities.

6. DEMOCRACY AND GOOD GOVERNANCE IN URBAN CENTERS

The main objective of democratization and promoting good governance in urban centers is to ensure that citizens are able to exercise their rights and benefit from urban development. The presence of rapid, equitable and sustainable development that guarantees the beneficence of the population is a prerequisite for in promoting democratization and building good governance. Democracy and good governance can only gain momentum and their sustainability be guaranteed when development is participatory, rapid and equitable. Democratization and good governance should be promoted in all urban centers because nurturing development and democracy in an integrated manner is the only way to bring about development in urban centers.

6.1. Democracy

A legal framework that empowers urban local governments with the authority to take full responsibility for and have the autonomy in making decisions on local issues as well as the local revenue powers required to fulfill their service delivery mandates will be created.

The right of urban centers to self-administration should be explicitly stated in regional constitutions, which should be backed up by more detailed legal frameworks that clearly provide the authority and responsibilities of urban local governments. Accordingly, a legal status for urban local government should be recognized formally that:

- Gives them the legal basis to generate their own revenues and receive budgetary support from the government,
- Establish their own councils through elections,
- Organize municipal courts with clearly delineated judicial powers over some city-related issues, and
- Enact local ordinances.

The autonomy given to urban local governments should not be limited at urban level but permeates down to the lowest levels of the urban administration thereby enhancing decentralized administration. This should be handled in a manner that ensures organized and continuous participation of the public in development and good governance related endeavors and creates a suitable environment for strengthening civil societies and a democratic culture. It would be necessary to develop a direct participation of the public in discussions on development and good governance events organized by neighborhood and district councils - apart from residents or citizens' representatives in councils.

6.2. Good Governance

Apart from their responsibility to provide **comprehensive, efficient, transparent and accountable services at all levels**, urban local governments should ensure continuous **improvement in their service delivery that satisfies the beneficiaries**. The local administration should disclose to the public its policies, laws, rules, regulations, plans and budgets which should be designed, implemented and evaluated with public participation. There should be a legally sanctioned system that ensures that officials and professionals at all levels are responsible for delivery of prompt services to residents and are held accountable for misconduct. To this end, the urban local governments should provide formal, regular, timely and comprehensive information to the public. Not only should the executive organs be held accountable for their wrong actions, but also the complaints of the public about all aspects of cities' administration should receive due attention and adequate and prompt response.

It is important that urban local governments are staffed by employees and officials who are **free from corruption and procrastination** and will not tolerate these behaviors. It is also important to establish transparent and accountable working procedures that are easily understood by the public and also easy to scrutinize and change when needed. Urban local governments should provide utmost support to the public so that they are able to understand their rights and responsibilities as well as stand up for these rights. To ensure this, an appropriate organizational structure especially for the Addis Ababa City Administration will be studied and implemented.

An issue that deserves serious attention is creating the **developmental leadership at the local level to tackle and eliminate rent seeking activities**. This leadership should have a problem solving orientation, be able to identify the different roles of the government, the private sector and the public and integrate them so as to bring sustainable and equitable

development by: a) ensuring that all segments of the society benefit from the gains of development, and b) strengthening the partnership between the developmental investor and the local administration.

A further issue is the necessity to **maintain the rule of law and make peace sustainable** in urban centers. Both are essential for rapid and sustainable development. In order to achieve these objectives concerted efforts are needed to create adequate capacity in those institutions mandated to provide security and enforce the law. It is important to create a system that allows everything to be executed with defined role and following well established rules and regulations in a manner that ensures transparency, accountability and effective coordination. It is also be important to:

- Develop detailed and comprehensive rules and regulations that **regulate developmental activities** in the urban center,
- **Create the necessary capacity** to implement the rules and regulations approved, and
- **Tackle poverty and unemployment, lawlessness and all circumstances that make local communities susceptible to crime**, through rapid development, strong public participation and creating adequate capacity for local administration.

6.3. Capacity Building for Urban Centers

It is important to undertake concerted and continuous capacity building that ensures the creation of a developmental urban local government, which focuses on provision of appropriate educational and training programs, together with the organizational structures and working procedures that support education and training. To do so it will be necessary to first **conduct diagnostic studies and in-depth research**. It is important to expand educational and training institutions, and identify, develop and implement working procedures, organizational structures and legal frameworks that need improvement, and propose modifications necessary.

In general, the ultimate result of capacity building efforts should help to create a democratic developmental urban local government that has adequate implementation capacity and can prove its legitimacy to its residents and communities through concrete actions and results that involve public participation and an active role for the private sector in bringing about rapid and sustainable development, which ensures that all segments of the society are the beneficiaries of such development. Capacity building interventions should aim at improving the capacity of all developmental actors in general and those of the local government – who are expected to play a leading role in local development - in particular. Capacity building should be a continuous activity that is centered on creating the requisite organizational capacity in all executive and administrative functions of urban local government. All actors in urban development should strive to make capacity building a starting point for discharging their current strategic mission.

7. IMPLEMENTATION OF THE POLICY

The Resilient, Green and Accessible Urban Development Policy will be applicable throughout Ethiopia. Its implementation will require identifying and integrating the roles and responsibilities of the federal government, regional governments and urban local governments. The respective roles of each level of government are briefly identified in the following sections.

7.1. THE ROLE OF THE FEDERAL GOVERNMENT

- 1) Provide capacity building support for the institutionalization of good governance that would enable to speed up development in urban centers ; prepare workable strategies for the implementation of the Policy; help in the development of an appropriate organizational structure for urban local governments;
- 2) Allocate and distribute budget resources required for the development of cities;
- 3) Draft laws that need to be issued at the federal level to ensure the successful implementation of the Resilient, Green and Accessible Urban Development Policy; and
- 4) As the owner of the Policy, the Ministry of Urban Development and Housing will oversee the execution, serve as the focal institution for the overall coordination and monitor the implementation and the results of the policy.

7.2. THE ROLE OF REGIONAL GOVERNMENTS

- 1) Implement the Resilient, Green and Accessible Urban Development Policy in their respective regions;
- 2) Develop and adopt strategies, guidelines, rules and regulations as are necessary for the successful implementation of the Resilient, Green and Accessible Urban Development Policy;
- 3) Provide capacity building support to urban local governments;
- 4) Provide financial support to cities based on a transparent budget formula, and designate revenues sources for urban centers;
- 5) Devise and implement a formula for grading and categorizing urban centers;
- 6) Develop minimum standards for housing construction and infrastructure services; and
- 7) Take administrative decisions where disputes arise over the appropriation of rural lands at the administrative boundaries of cities.

7.3. THE ROLE OF URBAN LOCAL GOVERNMENT

- 1) Enact regulations and directives that are necessary for the implementation of the Resilient, Green and Accessible Urban Development Policy;

- 2) Establish institutions that will implement the Resilient, Green and Accessible Urban Development Policy, giving special focus to strengthening of training and research centers;
- 3) Carry out comprehensive and sustainable development programs and projects that will make cities centers of development and ensure that the public is the sole owner and beneficiary of development; and
- 4) Ensure the continuous, direct and organized participation of city residents by providing them with the necessary authority and capacity building support through those parts of the city administration closest to residents.

8. CONCLUSIONS

The fundamental focus areas of the Resilient, Green and Accessible Urban Development Policy are:

- The promotion of micro and small enterprises,
- Land development and management,
- Housing development,
- Urban infrastructure development,
- Urban planning and management,
- Environmental protection and sanitation and development of green areas,
- Urban↔urban and urban↔rural linkages, and
- Democratization and good governance.

Encouraging results have been registered since the adoption of the Resilient, Green and Accessible Urban Development Policy in 1998 EC (2005/06 GC), by undertaking significant development and good governance programs and projects following the implementation directions set in the above-mentioned areas. It would be necessary to raise the implementation of the policy to another level in the coming years by building on the achievements already registered during preceding years. It is important to adhere to the respective roles identified for the different levels of government outlined in Section 5 so as to successfully enhance the implementation of development and good governance activities identified in the policy. To these ends:

- 1) **Quality and quantity of human resources.** It is important to ensure that all staffing positions are filled and all personnel involved in implementation, from federal, through regional to the city level, are competent and motivated professionals. In addition, it is necessary to provide continuous demand-driven capacity building trainings to professionals and executive officials;
- 2) **Implementation strategies, programs and projects.** It is necessary to identify and implement strategies and programs as well as put in place legal frameworks that are helpful for the successful implementation of this Resilient, Green and Accessible Urban Development Policy. In this regard, it is essential to finalize the strategies and legal frameworks that are under preparation and enforce including those already adopted;
- 3) **International standards for urban infrastructure and services.** It is essential that systems are made operationally effective for the development and management of municipal services that meet international standards, and that there is regular supervisory follow-up and support provided to achieve this goal. In addition, it is prudent to identify the types of personnel skills delivery of urban infrastructure and services to international standards will require so that training programs and professional competency tests may be put in place.
- 4) **Infrastructure and services improvement.** It is important to create and implement procedures and a structure that integrate and coordinate effectively the activities

of the providers of infrastructure and service as prioritized in this policy, with the assistance and support to be obtained from the government and international development partners and financing agencies. It is also important to build the capacity of urban centers to identify and collect as well as effectively utilize revenues through concerted public mobilization efforts.

- 5) **Coordination and continuous improvement.** It is important to design and implement a monitoring system for infrastructure coordination that is to be made operational so that its continuous sustainability can be ensured by making continuous improvements.

In conclusion, it is believed that addressing the key issues identified in this Resilient, Green and Accessible Urban Development Policy in a comprehensive manner will:

- Enable urban centers to become centers of development and speed up their growth, and
- Increase their contribution to rural and overall national socio-economic development.

Thus, the implementation of the various development and good governance related strategies and activities that are outlined in this policy should be managed in a holistic and coordinated manner rather than as separate initiatives by the various institutions responsible. At all stages in the processes of implementing this policy the vision, objectives, premises and principles should be adhered to so that the common vision of the Resilient, Green and Accessible Urban Development Policy is achieved. Achievement of the Resilient, Green and Accessible Urban Development Policy's Vision will, when combined with those of other national policies, achieve the grand vision at the national level of achieving middle income country status. For this to become a reality, all urban development programs, projects and implementation activities should aim to strengthen the full participation of urban residents so as to guarantee that they are the ultimate owners and beneficiaries of urban development.