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Assessment of Urban Development  
Indicators (UDIs) of  
Addis Ababa City Administration

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**Assessment of Urban Development Indicators (UDIs) of**  
**Addis Ababa City Administration**

Project Work submitted to the Indira Gandhi National Open University in partial fulfillment of the requirements for the award of the Degree – **Master of Arts (Economics)**. I hereby declare that this work has been done by me and has not been submitted elsewhere.

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# CERTIFICATE

Certificated that the Project Work entitled **Assessment of Urban Development Indicators (UDIs) of Addis Ababa City Administration** submitted by **Tsion Mamo Asress** is her own work and has been done in the light of evaluator's comments under my supervision.

It is recommended that this Project be placed before the examiner for evaluation.

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## Table of Content

<b>Content</b>	<b>Page</b>
Table of Content.....	i
Tables.....	iii
Figures .....	iv
Acknowledgements.....	v
Executive Summary.....	vi
ACRONYMS.....	vii
CHAPTER-ONE: INTRODUCTION	1
1.1 Background .....	1
1.2 Statement of the problem .....	3
1.3 Objective of the study .....	6
1.3.1 General Objective .....	6
1.3.2 Specific Objective .....	6
1.4 Sources and type of data.....	7
1.5 Methodology .....	7
1.6 Scope of the study.....	7
1.7 Significance of the study .....	7
1.8 Outcome of the research.....	8
CHAPTER 2: ASSESSMENT OF ECONOMIC SITUATION IN ADDIS ABABA CITY ADMINISTRATION	9
2.1 ECONOMIC GROWTH AND DEVELOPMENT .....	9
2.1.1 REGIONAL GROSS DOMESTIC PRODUCT.....	9
2.1.2 PRICE AND ITS STATUS .....	11
2.1.2.1 INFLATION .....	11
2.1.3 EMPLOYMENT AND UNEMPLOYMENT.....	12
2.1.3.1 EMPLOYMENT TO POPULATION RATIO.....	13
2.1.3.2 UNEMPLOYMENT RATE.....	14
2.1.4.1 ECONOMIC DEPENDENCY RATIO.....	15
2.1.4.1.1 AGE-SEX DEPENDENCY.....	16
2.1.4.1.2 ECONOMIC STRUCTURE AND INCOME PROFILE/POVERTY.....	17
2.1.4.1.3 EMPLOYMENT CREATION AND MSEs.....	18
2.1.5 FISCAL PERFORMANCE .....	19
2.1.5.1 REVENUE STATUS AND STRUCTURE .....	19
2.1.6 EXPENDITURE PERFORMANCE.....	20
2.1.6.1 EXPENDITURE FINANCING.....	21
2.1.6.2 RECURRENT AND CAPITAL EXPENDITURE .....	21
2.1.7 CAPITAL PROJECT PERFORMANCE AND COMMUNITY PARTICIPATION.....	22
2.1.7.1 URBAN LAND MANAGEMENT.....	22
2.1.7.2 INTEGRATED HOUSING DEVELOPMENT AND GOVERNMENT CONSTRUCTION.....	23
2.1.7.2 .1 INTEGRATED HOUSING DEVELOPMENT PROGRAM .....	24
2.1.7.2 .2 GOVERNMENT CONSTRUCTION .....	25
2.1.7.2 .3 COMMUNITY PARTICIPATION .....	25

2.2 INVESTMENT .....	25
2.3 HUMAN RESOURCE OF THE CITY .....	26
2.4. CULTURE AND TOURISM .....	27
CHAPTER 3: SOCIAL UTILITIES .....	29
3.1 EDUCATION SECTOR.....	29
3.1.1 LITERACY RATE.....	29
3.1.2 INDICATORS OF THE CITY EDUCATION .....	30
3.1.2.1 ACCESS AND COVERAGE INDICATOR .....	30
3.1.2.1.1 NUMBER OF ABEC, ECCE, IFAL, PRIMARY AND SECONDARY SCHOOLS IN ADDIS ABABA .....	31
3.1.2.1.2 GROSS ENROLLMENT AND NET ENROLLMENT RATIO .....	32
3.1.2.1.2.1 GROSS ENROLLMENT RATE .....	32
3.1.2.1.2.1.2 NET ENROLLMENT RATE .....	32
3.1.2.2 EQUITY INDICATOR .....	33
3.1.2.2.1 FEMALE STUDENT PARTICIPATION IN EDUCATION .....	33
3.1.2.2.2 GENDER PARITY INDEX .....	34
3.1.2.2.3 QUALITY INDICATORS .....	35
3.1.2.2.3.1 Pupil-Section Ratio and Pupil -Teacher Ratio .....	35
3.1.2.2.3.2 Number and Qualification of Teachers in Different Levels and their Qualifications .....	37
3.1.2.3 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING/TVET .....	38
3.1.3 HEALTH SECTOR IN THE CITY .....	41
3.1.3.1 ACCESS TO HEALTH SERVICE INDICATORS .....	41
3.1.3.2 HEALTH CARE INFRASTRUCTURE.....	44
3.1.4 ROAD INFRASTRUCTURE .....	45
3.1.5 TRANSPORT CONDITION OF THE CITY .....	46
3.1.6 WATER RESOURCE, WATER SUPPLY AND SANITATION .....	48
3.1.6.1 WATER RESOURCE AND SUPPLY .....	48
3.1.6.2 SANITATION AND SEWERAGE .....	49
CHAPTER 4: SUMMARY, CONCLUSION AND RECOMMENDATIONS .....	53
4.1 SUMMARY OF FINDINGS .....	53
4.2 CONCLUSION .....	54
4.3 RECOMMENDATIONS .....	55
REFERENCE .....	56

## **TABLES**

<b>Tables</b>	<b>Page</b>
Table 1: Estimated Result of RGDP Statistics from 2009 to 2014 .....	9
Table 2: Estimated Per capita income (Nominal RGDP) from 2009 to 2014 .....	10
Table 3: Trends in the Country Wide & the City Annual General & Food Inflation Rates (12 Month Moving Average 2006/7-2012/13) .....	11
Table 4: Trends of Employment to population Ratio by sex During the Five Survey Periods (Age 10+).....	14
Table 5: Trends of Unemployment Rate by Sex during The five Survey periods (Age 10+) in Addis Ababa .....	15
Table 6: Age-Sex Dependency Ratio of Addis Ababa in 2014 .....	16
Table 7: Trends in Proportion of population below poverty line in Addis Ababa and Ethiopia .....	17
Table 8: Major Activities of Small and Micro Enterprise Development from 2008/09 to 2013/14.....	18
Table 9: Trend of Actual Revenue of Addis Ababa City Administration from 2006/07-2013/14 .....	19
Table 10: Trends of Addis Ababa City's Actual Revenue -Expenditure Financing Summary .....	21
Table 11: Trends of City Administration Recurrent and Capital Expenditure from 2007/08-2013/14 .....	22
Table 12: Number of Constructed and Transferred Condos in Addis Ababa from 2005/06-2013/14 .....	24
Table 13: Approved Investment Projects, their Capitals & Employment Opportunity from 2007/08-2013/14 .....	25
Table 14: Comparison of Literacy Rate in Addis Ababa Population Aged Ten Years and Above by Sex and Literacy in 2011/12 (in %)......	29
Table 15: Total Number of Students by Grade Level in Addis Ababa from 2007- 2013/14.....	30
Table 16: Share of Qualified Teachers in Different levels in Addis Ababa from 2007/08-2013/14 .....	38
Table 17 :Number of TEVT Colleges, Trainers and Institutions by Ownership, Gross Enrollment and trainers from 2009/10 to 2013/14 E.C. ....	39
Table 18: Annual Intake Capacity of Institutions, Number of Students, Workshops, Number Of TVET Graduates in COC From 2012/13-2013/14 .....	40
Table 19: Number of Functional Health Institutions in Addis Ababa Each Year, From 2007/08- 2011/12. ....	44
Table 20.Types of Road Construction of Addis Ababa city from 2007/08-2013/14 .....	45
Table 21: Public Transport Service with Their Passengers in 2013/14 E.C .....	46
Table 22: Total Numbers of Anbessa City Buses and Users in Addis Ababa for Subsequent Years from 2007/08 to 2013/14. ....	48
Table 23: Solid and Liquid Waste management of the city from 2007/08- 2013/14.....	51

## FIGURES

<b>Figures</b>	<b>Page</b>
Figure 1: Trends in City Wide Annual Inflation Rates (12 month moving average 2006/07-2011/13) .....	12
Figure 2: Economic Dependency Ratio of Addis Ababa City Administration from 2003/04 -2012/13.....	16
Figure 3: Employment Creation of the Investment (% of total), 2007/08-2013/14 .....	26
Figure4: Human Resource of the City from 2011/12 -2012/13 .....	27
Figure 5: Trends of Tourist Sites and facilities in Addis Ababa from 2007/08-2013/14.....	28
Figure 6: Numbers of Educational Institutions in Addis Ababa from 2007/08-2013/14 .....	31
Figure 7: Trends of Gross Enrollment Rate at Different levels in the subsequent years from 2007/08-2013/14.....	32
Figure 8 Trends of Net Enrollment Rate at Different levels from 2007/08-2013/14 .....	33
Figure 9 Percentage of Female Students Participation in at Different levels from 2007/08-2013/14 .....	34
Figure 10 Trends of Gender Parity Index in Addis Ababa from 2007/08-2013/14 .....	35
Figure 11 Trends of Pupil Section Ratio in Different Levels from 2007/08-2013/14.....	36
Figure 12 Trends of Pupil –Teachers Ratio .....	36
Figure 13 Numbers of Teachers at Different Levels .....	37
Figure 14 Trends of Health Professionals to Population Ratio 2007/08-2011/12 .....	42
Figure 15 Trends of Basic Health Indicators from 2009/10-2013/14 .....	43
Figure 16: Number of Health Professionals in Public Sector of Addis Ababa in 2012/13... ..	43
Figure 17: Trends of Road Coverage in % from 2008.09-2013/14 .....	46
Figure 18: Number of passengers Used different Public Transport Service in 2013/14 .....	47
Figure 19: Trends of Water production, Distribution, consumption and Coverage from 2007/08-2011/12.....	49

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## **Executive Summary**

Developing countries require better information about where investments in programs to improve the achievement of development efforts that should be focused on growth and welfare dividends. This requires evidences from performance measurement and evaluation. To know how well the integrated urban development program and policy reforms actually work in practice, city government of Addis Ababa needs to devote greater attention to selecting reliable indicators and appropriate research design needed to conduct evaluation.

This project report develops a performance measurement and evaluation framework for systematically evaluating the performances of integrated urban development initiatives, good governance and policy reforms undertaken over recent years. Offering an accessible account of the fundamentals of evaluation, the thesis explains the need for indicators to measure relevant outcomes of concern and research designs to support interferences about the extent to which an integrated urban development initiatives, and good governance and policy reforms have actually caused any change in the measured outcomes. It tries to develop multidimensional indicators for performance measurement and then conduct assessment, taking the case of Addis Ababa over the last five years. The thesis argues that holistic changes in economic, social, and environmental dimensions attributes to changes in institutions and governance system as well as policy reforms undertaken by concerned bodies including the shortcomings. It developed a number of indicators for different sectors and service categories for measuring and evaluating outcomes of sustainable urban development initiatives.

## ACRONYMS

<b>AACBoE</b>	Addis Ababa City Bureau of Education
<b>AACBoFED</b>	Addis Ababa City Bureau of Finance and Economic Development
<b>AACBoH</b>	Addis Ababa City Bureau of Health
<b>AACRA</b>	Addis Ababa City Road Authority
<b>ABEC</b>	Alternate Basic Education Center
<b>ADLI</b>	Agriculture Development Led Industrialization
<b>AACWSA</b>	Addis Ababa City Water and Sewerage Authority
<b>ANC</b>	Anti-Natal Care
<b>AU</b>	African Union
<b>BDS</b>	Business Development Service
<b>CET</b>	College of Teacher Education
<b>CSA</b>	Central Statistics Agency
<b>ECA</b>	Economic Commission for Africa
<b>ECCE</b>	Early Childhood Care and Education
<b>EDHS</b>	Ethiopia Demographic and Health Survey
<b>EPRDF</b>	Ethiopian People’s Revolutionary Democratic Front
<b>FASC</b>	Federation of African Societies of Chemistry
<b>FDRE</b>	Federal Democratic Republic of Ethiopia
<b>FMoH</b>	Federal Ministry of Health
<b>GDP</b>	Gross Domestic Product
<b>GPI</b>	Gender Parity Index
<b>GTP</b>	Growth and Transformation Plan
<b>HAPI</b>	Horn of Africa Press Institute
<b>HIV</b>	Human Immune-Deficiency Virus
<b>IBEX</b>	Integrated Budget and Expenditure
<b>ICT</b>	Information Communication Technology
<b>IFNL</b>	Integrated Functional Adult Literacy
<b>ILO</b>	International Labor Organization

<b>KILM</b>	Key Indicators of Labor Market
<b>MDGs</b>	Millennium Development Goals
<b>MoFED</b>	Ministry of Finance and Economic Development
<b>MSEs</b>	Micro and Small Enterprises
<b>NER</b>	Net Enrollment Rate
<b>NGO</b>	Non-governmental Organizations
<b>NUPI</b>	National Urban Planning Institute
<b>OAU</b>	Organization of African Unity
<b>PASDEP</b>	Plan for Accelerated and Sustainable Development to End Poverty
<b>RGDP</b>	Regional Gross Domestic Product
<b>TFR</b>	Total Fertility Rate
<b>TVET</b>	Technique and Vocational Education and Training
<b>UDIs</b>	Urban Development Indicators
<b>UNs</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>UNHSP</b>	United Nations Human Settlement Program

# **CHAPTER 1: INTRODUCTION**

## **1.1 Background**

There are two views which shape the debate on urbanization. The first is an anti-urbanization stance which was highly influenced by the urban bias thesis of Michale Lipton (Lipton, 1989). The anti-urbanization stance neglected cities and focused investment on rural development. As a result, not only the poor in the cities were neglected but the potentials of urban centers in inducing growth were also undermined. The second is the pro-urban perspective which views urban areas as centers of technological innovation, economic development and socio-political change (fantu, 2005). The current stand is to see cities as engines of growth and social transformation and as contributors to poverty reduction.

The role of urban centers and cities in promoting economic growth and social transformation has long been noted. The argument focuses on the agglomeration advantages of urban centers which represent the productivity advantages that firms and industries gain by locating in close proximity to each other and to large markets. Cities also provide dense interactive locations where knowledge is exchanged, innovations spurred and sophisticated skills developed (Henderson, 2010). Cities are known to be the bases to economic modernization, diversification and to higher value production. Successful competition in global markets requires skills, information, technology and capabilities for rapid response in production, marketing, service, transport and logistics which are all facilitated in urban centers. Urbanization promotes development by diversifying income, expanding options for more affordable service delivery and opening horizons for innovation and skill acquisition (Kessides, 2005).

On the other hand, urbanization plays a significant role in poverty reduction. The contribution comes through its facilitation of demographic transition and ease of service delivery. In this regard, urban areas witness earlier and steeper decline of mortality and fertility than the rest of the country and lower per capita costs of infrastructure and services than rural areas. Urban economy also provides alternative sources of income to the poor through migration and remittances.

Urbanization, however, poses its own challenges. Urbanization is a major socio-economic transformation that entails a shift of population from rural to urban center and a far reaching economic and social change with accompanying infrastructure and service development. These shifts and changes are not smooth and necessitate financial, technical, planning etc capabilities to meet the pressures arising from urban development. For example, the demand for housing, employment, services, etc need to be met if the potential from urbanization is to be realized. Similarly, the processes of urbanization, its pace, pattern and direction needs to be understood if urbanization is to yield positive results.

Urbanization processes are country specific and the sets of challenges are also unique to different countries. There is, therefore, a need to assess the unique challenges and ways forward for urbanization as prerequisites for realizing the potential of urbanization for fostering economic growth, brining social transformation and contributing to poverty reduction.

The pace of urbanization and its subsequent population growth all over the world is becoming a pressing issue for most urban centers, as most local governments are facing difficulties in fulfilling the basic needs of their urbanization borne population mainly as a result of limited resources. To this effect lack of an adequate infrastructure, basic amenities such as housing and pure water supply and poverty are prevailing particularly in cities of most developing nations.

In fact, urbanization and its consequent population growth has its own merits and demerits. The advantage of urbanization may be interpreted in terms of taking an advantage of agglomeration economies and globalization trends to generate jobs and increase incomes. On the contrary, rapid urbanization may result in inadequate infrastructure and services, severe environmental degradation, increasing traffic congestion and proliferation of slums and squatter settlement (Mathew et al, 2001).

For most of the developing economies cities of the world, urbanization is becoming a challenge, be it environmental, economic or social as they lack well-built and wide resource base that adequately fulfils basic requirements of their ever increasing residents. Ethiopia, with only 16% of urbanization in 2007 (CSA, 2007), is an under urbanized country even by the standard of Sub-Saharan African countries. With an average growth rate of 4.5%, it has,

however, one of the fastest rates of urbanization. In fact, the UN figure shows that the average urban growth rates in Ethiopia for the years 1950 – 2050 is 4.34%, which is higher than the average for Sub-Saharan Africa (3.95%), the less developed countries (2.84%) and the world (2.15%) (UN, 2009).

Urbanization in Ethiopia faces several challenges that hamper the rural-urban transition. These challenges have to be surmounted if urbanization is to be promoted and the country is to reap its benefits. In order to mitigate these challenges a multitude of efforts with an assortment of development dimensions in deed is a must. Having this in mind, developing a policy oriented urban indicators that might help for research; benchmarking, monitoring & evaluation could facilitate the interventions sought towards fighting the challenges.

Besides, it is also imperative to establish appropriate urban development indicators (UDIs) for an urban center like Addis Ababa, in line with the Millennium Development Goals (MDGs) of the United Nations and the country's Growth and Transformation Plan (GTP). To realize the goals of MDGs, the UN – habitat has established key urban indicators, which are functional internationally, and thus this became a yardstick for this urban indicators study of the city. In other words, the United Nations Habitat Programs, which have been initiated to address the problems of rapid urbanization, have initiated worldwide action to improve shelter and living environments of urban centers.

## **1.2 Statement of the problem**

The development level of countries has a direct relationship with the level of their urbanization. Professionals in the area sometimes claim that the urbanization level could be used as the measure of the development level of countries. Several studies have revealed that, in this present era of ours, the world is not only progressively transforming itself into a series of urban centers, but that it is going beyond into becoming a global village (Hall & Pfeiffer, 2000). Another factor that demonstrates, the significance of urban centers, is the important role they play in national production and productivity. The contribution of urban centers to the national product is high as 85% in the developed countries, and 50% in the developing

countries. Their contribution to government revenue is also estimated to be very high (NUPI, 2002).

Urban centers also are centers of social transformation as well as the transformation of the productive sector. While urban centers have been known to serve as the basis for the industrial revolution, they are at present serving as centers for social transformation to the age of services and information as well. It is common knowledge that urban centers provide people with a better quality of life.

Though Ethiopia is one of the cradles of early civilization and urbanism, urban development is less advanced. The low level of urbanization in Ethiopia could be seen as a manifestation of the country's low level of development. The growth rate of Ethiopian cities including Addis Ababa is disproportional compared to the rate of the country's economic growth, so that the growth rate of the former has put the cities in league with those cities elsewhere with a fast growth rate. Ethiopian towns/cities had been organized as administrative/government, commercial and service centers since the days of Axumite Kingdom. However, the establishment of modern urban centers did not start until the 19<sup>th</sup> century, which coincides with the creation of the modern state.

Addis Ababa, the capital city of Ethiopia was founded in 1892, by Ethiopian Emperor Menelik II and became the permanent capital of Ethiopia. The introduction of eucalyptus tree from Australia to solve cooking problem contributed to the permanency of Addis Ababa (Assefa and Tegegne, 2010). The geographical location of Addis Ababa at the center of the country and the pleasant climate it enjoys due to its high altitude are also factors that contributed to its attraction. After becoming the capital of Ethiopia, Addis Ababa grew by leaps and bounds and took on the character of a boomtown. Menilik's centralization drive of the empire both economically and administratively spurred the urbanization process. In the process of centralization, the nobility was changed or modernized transforming the traditional pattern of authority (Baker, 1990). The Djibouti – Addis Ababa railway constructed during the period between 1897 and 1917, gave further impetus for urban development in Ethiopia. Though limited in their impact, improvements in communication was also considered as having an

influence on urban development in Ethiopia. Menilik is known to have introduced a number of innovations postal services, telephones and telegrams, schools etc (Akalu, 1973).

Since its establishment, the city has been facing many ups and downs depending upon the urban policies of different regimes of the country. The present government-EPRDF is known for its rural centered policy rather than urban oriented strategy. Agricultural Development Led Industrialization (ADLI) has been the main strategy of the country which aims at improving small farmers productivity, boost agricultural production and improved the living condition of the rural people. Such overzealous obsession with rural development has led to the neglect of urban development (Tegene, 2007). However, the government has issued a long awaited urban development policy in 2005. Since then, urban development is getting some attention as different municipal reforms and master plans continue to be issued. Of particular importance is the recognition of the urbanization agenda in the document known as a Plan for Accelerated and Sustainable Development to End Poverty (PASDEP). The government has also recently set a vision called “Our Cities in 2020” and working for its achievement.

Addis Ababa is the largest city in Ethiopia, with a population of 3,384,569 with annual growth rate of 3.8% as per the 2007 census conducted by the Ethiopian Central Statistical Agency (CSA). According to this census 662,728 households were counted living in 628,984 housing units, which results in an average of 5.3 persons to a household. (Population & Housing Census, 2007). As a chartered city, Addis Ababa has the status of both a city and a state. It is where the African Union (AU) is and its predecessor the OAU was based. It also hosts the headquarters of the United Nations Economic Commission for Africa (ECA) and numerous other continental and international organizations. Addis Ababa is therefore often referred to as "The Political Capital of Africa" due to its historical, diplomatic and political significance for the continent.

However, the city has been facing various problems, which include insufficient and substandard infrastructure provisions, insufficient public facilities, acute shortage of houses, poor sanitation, and unemployment. All these in fact are manifested in deprived poverty states of the metropolis. In order to curb these problems, the city government has so far exercised



enormous efforts, though they are not adequate compare to the volumes of the problems, even though certain improvements are seen.

To this effect, designing appropriate urban development policies, strategies, programs and plans relevant to deal with all social, economic and governance problems of the city requires relevant data and information as a base for decision making and hence the preliminary work of identifying principal Urban Development Indicators (UDIs) became a necessity.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The general objective of the study of urban development indicators (UDIs) of Addis Ababa City is to establish a connection between human settlements and sustainable development of the city so as to indicate development ideas that might help for setting relevant policies.

#### **1.3.2 Specific Objectives**

The indicators along their respective implications are expected to highlight strategies for poverty alleviation, the creation of sustainable livelihoods, regeneration and the improvement of the environment, job creation, the reduction of gender imbalances, and the promotion of good governance.

Moving ahead with this urban development indicators study will be also aimed at offering immediate information about the socio-economic as well as geo-political status of the city in one set, which in particular might help the development actors, policy makers and researchers in the area under consideration.

Besides, the study intended to assist an economic and efficient utilization of scarce resources, and minimize duplication of efforts by different parties.

## **1.4 Sources and type of Data**

For this study, mainly secondary data were employed. To proceed with, different publications of Central Statistical Agency (CSA) such as population and housing census, welfare monitoring survey, Consumer Price Index and urban employment survey were widely utilized. Besides various sectoral studies, reports, surveys and international data for comparison such as the ILO, United Nations (UN) as well as other relevant sources available both at national and international levels were used by this study. More importantly, this study tried to adopt the UN-Habitat established urban development indicators of United Nations Human Settlement Program (UNHSP) in order to align with the internationally acceptable standards in the study considered and thus to make its utilization wide.

## **1.5 Methodology**

In the course of the discussions the methods employed in data analysis were descriptive statistics like percentages, averages, ratios and analytical explanations. Statistical data were presented in tabular form to assess the urban development indicators of Addis Ababa City Administration.

## **1.6 Scope of the study**

The scope of this study is limited to socio-economic facts of Addis Ababa city in the form of development indicators in the recent past five years. Besides, what the indicators do really imply in terms of development aspects were included.

## **1.7 Significance of the study**

The study makes an important contribution to the existing knowledge regarding urbanization and urban development indicators (UDIs) of Addis Ababa city for government policy formulation targeted towards tackling the problems.

## **1.8 Outcome of the research**

Vital elements of urban development indicators (UDIs) of Addis Ababa City were identified and presented along with statistics data and records. Therefore, the outcome of the study provides useful information about the major urban development indicators of the city for policy makers, planners and researchers who are interested in the research for similar problems to solve socio-economic development of the urban society.

## **CHAPTER 2: ASSESSMENT OF ECONOMIC SITUATION IN ADDIS ABABA CITY ADMINISTRATION**

This chapter presents the result of the assessment of the economic situation of the city and discusses the findings and policy implication of the study.

### **2.1 ECONOMIC GROWTH AND DEVELOPMENT**

#### **2.1.1 REGIONAL GROSS DOMESTIC PRODUCT**

Gross Domestic Product (GDP) provides a more comprehensive assessment of the well-being of a nation. So it has to be acknowledged, though there are disadvantages inherited from its nature. For instance, not all countries have the capacity to measure many of these indicators. GDP is the market value of all officially recognized final goods and services produced within a country in a year, or other given period of time. GDP per capita is often considered as an indicator of a country's standard of living. As an aggregate measure of total economic production of a country, GDP represents the market value of all goods and services produced by the economy during the period measured. That includes personal consumption, government expenditure and the foreign trade balance (i.e. exports are added, imports are subtracted). Therefore, in our context the regional GDP of Addis Ababa exclude foreign trade.

**Table 1: Estimated Result of RGDP Statistics from 2009 to 2014**

Year	Agriculture	Growth rate (%)	GDP Current Price					
			Industry	Growth rate (%)	Services	Growth rate (%)	Total	Growth rate (%)
2009	275,123,826.51	10.20	11,769,869,203.37	40.70	20,182,595,881.72	10.10	32,227,588,912	19.60
2010	369,423,251.61	34.30	12,462,801,462.66	5.90	23,146,068,422.38	14.70	35,978,293,137	11.60
2011	432,107,704.30	17.00	14,551,040,898.83	16.80	26,845,420,855.28	16.00	41,828,569,458	16.30
2012	517,881,083.60	19.90	17,461,249,078.60	20.00	30,442,707,249.89	13.40	48,421,837,412	15.80
2013	612,653,321.90	18.30	19,888,362,700.52	13.90	34,856,899,801.12	14.50	55,357,915,824	14.30
2014	723,543,573.17	18.10	23,205,741,598.97	16.70	39,897,207,512.36	14.50	63,826,492,684	15.30
Over the period	2,930,732,761.09	21.30	99,339,064,942.95	14.50	175,370,899,722.75	14.60	277,640,697,427	14.60
Average % of share	1.056		35.78		63.16			100

*Source: AACBoFED, Regional Income Account Desk Draft Report, 2014*

As depicted in table 1 above the total RGDP at current price of the city administration progressively has been grown from birr 32,227,588,912 in 2009 to birr 63,826,492,684 in 2014. This growth was mainly attributed by the agriculture, industry and service sectors and the average growth rate were 21.3%, 14.5% and 14.6% respectively. However, the share of the service (63.16) sector is the highest in terms of the volume from total RGDP compared to agriculture. Therefore, in nominal term the RGDP of the city has been grown by 14.6 which is nearly reached the highest alternate growth rate stipulated in the first GTP.

**Table 2: Estimated Per capita income (Nominal RGDP) from 2009 to 2014**

Year	Nominal GDP	Population	Average population Growth	Per capital (Birr)	USD Exchange rate	Per capita (USD)	Average Per capita Growth
2009	32,227,588,911.60	2,851,000	2.1	11,303.96	13.68	826.31	16.5
2010	35,978,293,136.65	2,912,000		12,355.18	16.99	727.09	
2011	41,828,569,458.41	2,977,000		14,050.58	17.82	788.47	
2012	48,421,837,412.49	3,046,000		15,896.86	18.74	848.48	
2013	55,357,915,823.87	3,119,000		17,748.61	18.74	947.10	
2014	63,826,492,684.50	3,194,000		19,983.25	19.50	1,024.78	

*Source: AACBoFED, Regional Income Account Desk Draft Report, 2014*

Per capita income calculated by dividing the total RGDP/GDP to the total population in a given geographical area. Therefore, table 2 above shows the trends of per capita income of the city in the past six years. As indicated in the above table, the RGDP growth of the city positively influences the per capita income of the population. Since then there was a progressive rise in per capita income of the population of Addis Ababa. In 2014, the registered per capita of the city was USD 1,024.78 which had a 29.37% growth rate compared to 2009 (USD 826.31). Generally, the progressive growth of RGDP made Addis Ababa one of middle income city.

## 2.1.2 PRICE AND ITS STATUS

### 2.1.2.1 INFLATION

The city economy registered impressive growth during 2007/07-2012/13; however it has been experiencing inflation challenges, with inflation rate reaches highest pick in 2007/08.

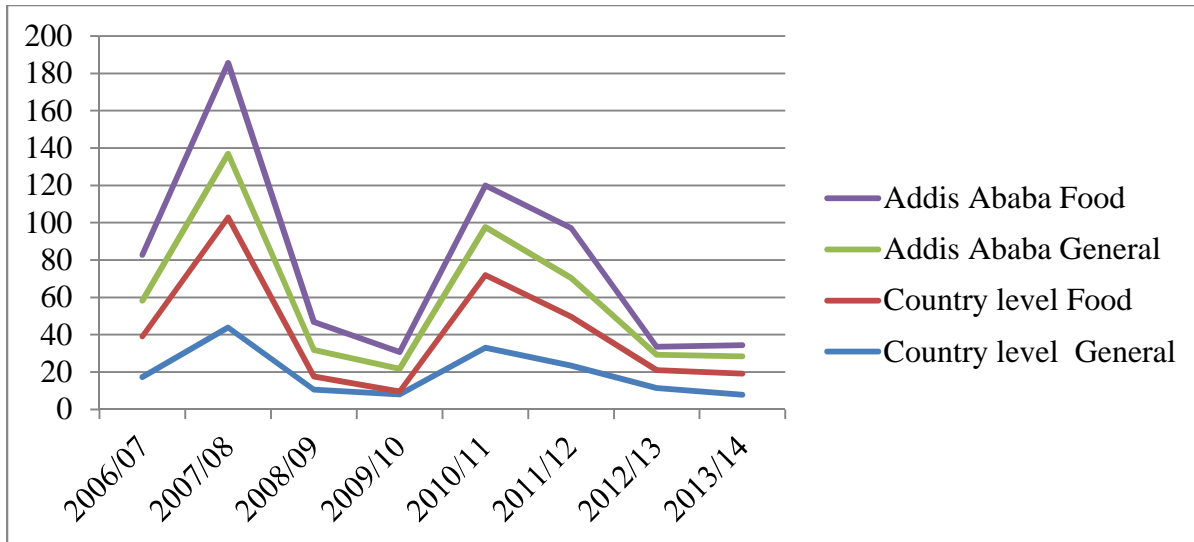
**Table 3: Trends in the Country Wide & the City Annual General & Food Inflation Rates (12 Month Moving Average 2006/07-2012/13)**

Budget year	Country level		Addis Ababa	
	General	Food	General	Food
2006/07	17.2	21.8	19.3	24.5
2007/08	43.8	59.1	34	48.7
2008/09	10.6	7.1	14.2	14.8
2009/10	8.1	1.5	12.2	8.8
2010/11	33.1	38.9	25.7	22.3
2011/12	23.4	26.3	20.7	26.8
2012/13	11.4	9.6	8.3	4.2
2013/14	7.9	11.3	9.2	6

*Source: Consumer Price Index CSA, 2014*

As indicated in table 3 above, the twelve months moving average of the general price index was increased by 34% in 2008. The price survey data during the last seven consecutive years (2007 – 2013) revealed the average annual general inflation has been increased by 17.8%. Generally, there were fluctuations in inflation rate trend during 2007 – 2013. However, owing to tight monetary and fiscal policy measures taken by Federal Government and other structural corrective measures taken by the city Administration, the general inflation rate dropped from 25.7% in 2011 to 8.3% in 2013.

As figure 1 below shows the dynamics of inflation in Addis Ababa is very much related to price of imported materials such as increase in the price of fuel, steel & food items. This resulted due to changes in demand of accelerated economic growth, inefficient market structures and inflationary speculations of illegal traders. In response to the macro-economic challenges resulting from the escalating price level, the city administration has taken successive remedial administrative measures to reduce the inflationary pressure and broken expectations.



**Figure 1: Trends in City Wide Annual Inflation Rates (12 month moving average 2006/07-2013/14)**

*Source: Consumer Price Index CSA, 2014*

### **2.1.3 EMPLOYMENT AND UNEMPLOYMENT**

Employment is frequently cited as an indicator of economic progress. It is measured mainly through unemployment and unemployment rates and the amount of labor force participation. However, existing unemployment and underemployment measures tend to grossly understate these rates. Most critically, caring labor and other unpaid work are completely overlooked in the vast majority of indices.

It is clear that generating income and creating employment opportunity has a direct function to any societies; so as to improve their lives in particular and their region at large. That means, employment and income generation have been identified as the main link between economic growth and reduction of poverty. As the employment opportunity of the economy expands, there would be a greater possibility of reducing unemployment, underemployment and rising the return to labor. Unemployment reduction in the city requires sound policy that will enhance employment opportunity and result in overall economic growth. The poverty reducing impact of unemployment depends on the quantity of employment and the rate of return to labor and the later depends on factors such as human capital, physical assets, natural capital such as land,

and other factors. This means that both the number of employment and earning per unit of employment are crucial for improved way of life. Employment expansion without corresponding generating of adequate income will just result in “working poor”. Similarly, there may be high economic growth, but with no significance employment generation, a phenomenon known as “jobless” growth. Both of these aspects are neither good nor favorable for sustained reduction in poverty.

### **2.1.3.1 EMPLOYMENT TO POPULATION RATIO**

This indicator tries to show the economic participation all members of the society to be part of all aspects of the economy. It also measures the status of women in the paid workforce such as the ratio of female to male in labor force participation.

Employment to population ratio provides information on the extent to which the population is engaged in productive activities. According to the 18 Key Indicators of Labor Market (KILM), employment to population ratio is calculated as a percentage of the total employed persons to the working age population (ILO, 1999). Accordingly, a high employment to population ratio implies large proportion of the population is employed, while low employment to population ratio means large share of the population is not involved in productive activities due to unemployment or due to the total economically active population that some of these are out of the labor force.

It is very important to look into the pattern of labor force in Addis Ababa because the amount of total labor force engaged in income generating activities is also one of the indicators of the social and economic welfare. It should be noted that the number of labor force in a given place has an implication for reducing unemployment rate. Thus due to the commitment of the city’s administration, employed population increased from 1.06 million in 2009/10 to 1.15 million in 2011/12, respecting an average annual growth of 2.8%. Moreover, additional employment opportunities have been created, especially in the construction areas that contributed to pull rural labor force. Results from urban employment and unemployment survey also indicated an



increase of urban employment in the city which was highly related to the rapid expansion of construction sectors.

**Table 4: Trends of Employment to population Ratio by sex during the five survey periods (Age 10+) 2009-2013**

Year	Capable population	Both sexes		Male		Female		Employment to capable Population Ratio
		Employed persons	Ratio	Employed persons	Ratio	Employed persons	Ratio	
May 2009	1,473,577	1,062,772	44.9	630,084	57.6	432,688	34	72.12
May 2010	1,597,712	1,168,220	47.2	662,622	57.9	505,599	38	73.12
March 2011	1,533,291	1,148,974	45.9	667,973	58.5	481,001	35.3	74.94
March 2012	1,625,468	1,250,842	47.5	709,206	59.9	541,635	37.3	76.95
June 2013	1,695,065	1,285,598	47.6	736,789	59.7	548,808	37.4	75.84

*Source: CSA, 2014 Employment Survey of Addis Ababa*

As indicated in table 4 above, the highest proportion of employed total population from the capable ones was registered in 2012, this was 47.6% of total working age population of the city administration. Employment to capable population ratio has been growing from 72.12% in 2009 to 75.84% in 2013.

### **2.1.3.2 UNEMPLOYMENT RATE**

Unemployment is measured based on the standard definition three criteria that must be satisfied simultaneously: ‘without work’, ‘currently available for work’ and ‘seeking work’ (ILO, 1983). The standard of definition of unemployment is related to ‘seeking work’ criterion can be interpreted as activities or efforts that non-working persons performed to look for jobs (i.e. paid or self-employment) during a specified reference period.

Unemployment rate is one of the macroeconomic indicators and it is a measure that assesses the risks and challenges to a nation state’s political and social stability, which are crucial to its total well-being. It is also used to measure the extent of unutilized human resource and absorptive capacity of the economy. Addis Ababa as an urban city, the availability of reliable and timely statistical data on unemployment is vital to formulate and design new strategies as well as to monitor the existing employment policies, strategies and development programs.

In other term, unemployment is a pressing problem for the city administration because it is mainly aggravated by the rural-urban migration. The table below reveals unemployment condition of the city by sex.

**Table 5: Trends of unemployment rate by sex during the five survey periods (Age 10+) in Addis Ababa from 2009-2013**

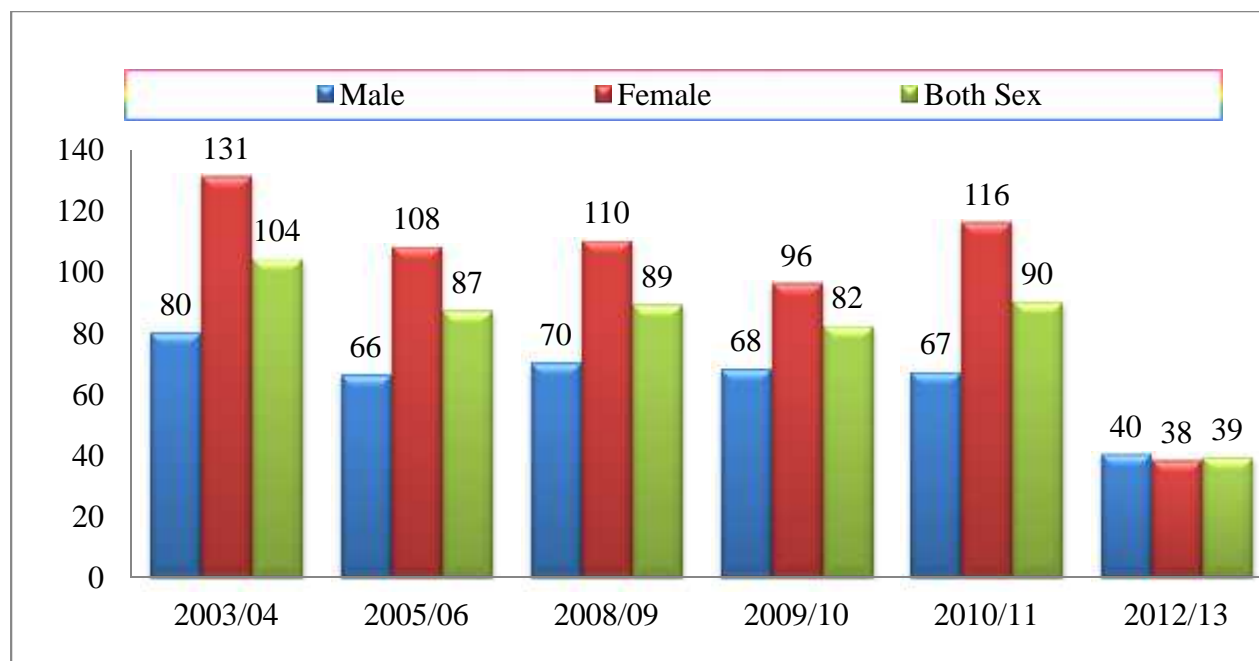
Year	Both Sexes		Male		Female	
	Unemployed Person	Ratio	Unemployed Person	Ratio	Unemployed Person	Ratio
May 2009	410,805	27.9	141,682	18.4	269,123	38.3
May 2010	429,492	26.9	143,989	17.9	285,503	36.1
March 2011	384,317	25.1	139,334	17.3	244,982	33.7
March 2012	374,626	23.0	130,686	15.6	243,940	31.1
June 2013	409,467	24.2	138,635	15.8	270,833	33.0

*Source: CSA, 2014 Employment Survey of Addis Ababa*

According to employment survey of 2013, the unemployment rate had declined from 27.9% in 2009 to 24.2% in 2013. As indicated in table 5 above, the unemployment rate of the city administration in 2011 was 17.3% and 33.7% for males and females, respectively. When we compared urban unemployment rate of the country (18%) to that of Addis Ababa, the country level was slightly higher than Addis Ababa.

#### **2.1.4 ECONOMIC DEPENDENCY RATIO**

Economic dependency ratio is defined as population not in the labor force. Economically active population aged ten years and above excluding elders above 65 years of age to the population in the labor forces (shryock,1976). The ratio of persons in the dependent category to those economically active persons provides a useful approximation to economic dependency burden.



**Figure 2: Economic dependency ratio of population in the city by sex**

Source: CSA, Urban Employment Survey Study, 2013

#### **2.1.4.1 AGE-SEX DEPENDENCY**

Age Dependency ratio shows what proportion of the population is economically active and productive or it indicates what proportion of the population is economically dependent on others for its survival. It is calculated by dividing economically inactive/unproductive population (Population aged <15 and 64) to economically active/productive population (population aged between 15-64) and multiplying by 100.

**Table 6: Age-Sex Dependency Ratio of Addis Ababa in 2014**

Sex	Age				Age Dependency Ratio		
	<15	15-64	65+	All Ages	Young	Old	Overall
Male	347,849	1,047,223	69,815	1,464,887	33.2	6	39.2
Female	375,001	1,242,604	73,565	1,691,170	30.1	5.9	36
<b>Total</b>	<b>722,851</b>	<b>2,289,827</b>	<b>143,379</b>	<b>3,156,057</b>	<b>31.5</b>	<b>6.2</b>	<b>37.7</b>

Source: CSA, Urban Employment Survey Addis Ababa, 2014

According to CSA 2007 Population and Housing Census Report, the age pyramid for the cities in Ethiopia shows narrow basebulging out at age group 15-19. This indicated that the smaller proportions of children under 14 years because of low level of fertility in urban areas. The same was true for Addis Ababa. According to CSA 2013 population projection of Addis Ababa and as indicated in table 6 above, out of the total population of the city, the number of economically dependent population was estimated to be 37.7%. The percentage of male dependency was slightly greater than that of female.

#### **2.1.4.2 ECONOMIC STRUCTURE AND INCOME PROFILE/POVERTY**

Poverty is one of those urban development indicators which usually measure the percentage of population living under poverty level. Income reflects distribution and poverty level at any time that shows the extent of poverty and its distribution in time shows what is happening to poverty in time. Furthermore, income and wealth helps comparative income but usually only among income groups.

Addis Ababa faces various problems including high level of poverty, insufficient and poor quality of infrastructure, insufficient public facilities, shortage and deteriorations of houses, poor sanitation, and unemployment. According to Addis Ababa City Administration Strategic Plan (AACBoFED, 2008), about 36% of the city’s population was living below poverty-line and out of the total economically active, 61% was engaged in the informal sector. The high rate of population growth, uncontrolled horizontal expansion of the city’s boundaries and the proliferation of slums inside the inner city are contributing to the widening gap between the demand and supply of urban facilities and services. The housing condition of the inner city is dominated by old and mostly congested neighborhoods that are largely made up of substandard and low level of access to major public services.

**Table 7: Trends in proportion of population below poverty line in Addis Ababa and Ethiopia**

Region	2004/05			2010/11		
	Urban	Rural	Total	Urban	Rural	Total
Addis Ababa	0.299	0.326	0.325	0.281	-	0.281
Ethiopia	0.393	0.351	0.387	0.304	0.257	0.296

*Source: Ethiopia’s Progress towards Eradicating Poverty: Interim Report on Poverty Analysis Study 2010/11, MoFED*

As indicated in table 7 above, the proportion of population below poverty line in Addis Ababa was 0.281 which was slightly lower than the national average 0.296.

### **2.1.4.3 EMPLOYMENT CREATION AND MSEs**

The five year Growth and Transformation Plan envisages ensuring faster and sustained development of the industrial sector and enabling the sector to gradually play a key role in the economy. To this end, particular emphasis is given to the promotion of micro and small scale enterprises as well as supporting the development of medium and large scale industries. In light of the aforementioned directions several activities were carried out in 2008/09 – 2013/14 by the city administration. The performance of the sector during the years under review is presented in table 8 below.

**Table 8: Major Activities of Small and Micro Enterprise Development from 2008/09 to 2013/14**

No	Activities	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
1.	Credit and number of beneficiaries	Birr	229,912,620	271,924,783	368,691,717	491,586,029	808,263,707	1,240,642,041
		Operators	30,994	36,982	32,505	29,102	32,049	
2.	Market linkage	Enterprises	58,887	18,543	12,443	25,414	39,852	57,829
		Birr	82,240,000	172,646,150	405,467,767	883,495,008	3,170,046,662	4,026,907,515.15
3.	Training	Operators	33,547	70,157	12,148	76,461	49,217	7,392
4.	BDS	Institutions	6,642	2,300	3,954	4,168	3,664	57,007
5.	Job opportunities	Person	134,611	90,529	63,759	110,619	222,565	251,476

*Source: Addis Ababa City Bureau of Communication Affairs and AACMSEs Bureau, Annual Book 2013/14*

The development of Micro and Small Scale Enterprises is the central focus for the industrial development strategy of the city administration. Therefore, the MSEs Bureau had been established to manage and regulate MSEs. The targets already set in the GTP, employment generation skill and business development were in particular planned to be realized through the integrated housing development, road development, train network development, and cobblestone streets development activities. As indicated in the table 8 above, a total of Birr 2,170,378,856 credit was arranged for 161,632 beneficiaries in the year 2008/09-2012/13. In relation to this, job opportunities were created for 399,741 unemployed persons in the same

year. A total of birr 4,713,895,587 was obtained through market linkage made to 155,139 enterprises. Business development services were rendered for a total 20,728 institutions.

## **2.1.5 FISCAL PERFORMANCE**

### **2.1.5.1 REVENUE STATUS AND STRUCTURE**

With regard to revenue, the administration is a self-sufficient and collects and uses its revenue for the socio economic development of the city. The city's revenue consists of tax, municipal, external aid, foreign/loan grants, road fund, and federal ministries. It collects revenue both from domestic and external sources.

**Table 9: Trend of Actual Revenue of Addis Ababa City Administration from 2006/07-2013-14**

Revenue Category	Annual Trend (in billions birr)							
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>								
Total revenue & grant	2,425.22	3,141.24	4,313.06	5,162.41	7,067.99	9,748.53	13,227.02	19,095.32
Growth in birr	*	716.02	1,171.82	849.35	1,905.58	2,680.54	3,478.49	5,868.3
Growth in %	*	30%	37%	20%	37%	38%	36%	30.73
Domestic revenue	2,376.25	3,074.82	4,291.74	5,077.41	6,936.22	9,652.39	12,824.51	17,309.59
Tax revenue	1,137.68	1,648.97	2,234.35	3,448.16	4,935.28	7,229.14	10,435.55	14,214.34
Direct taxes	858.72	1,172.96	1,582.92	2,339.91	3,159.81	4,650.34	6,354.39	8,821.79
Indirect taxes	278.96	476.01	651.43	1,108.24	1,775.47	2,578.80	4,081.16	5,382.54
Non tax revenue	487.86	598.49	497.98	952.63	1,025.44	1,142.31	1,096.19	1,542.00
Capital revenue	119.88	409.42	932.04	0	1.74	0	0	0
Road fund revenue	27.33	43.23	27.031	39.25	41.63	38.04	46.99	50.53
Municipality revenue	603.5	374.71	600.29	637.38	932.14	1,242.99	1245.77	1,502.73
External Grants	48.96	66.42	21.32	85	131.76	96.13	402.51	1,785.72

*Source: AACBoFED, Seven years IBEX report, 2014*

*\* Data is not available*

Table 9 above indicates the revenue status of the city in the past eight consecutive years. Accordingly, the city administration collected 19.09 billion birr in 2013/14 which accounted for 87.44% of the planned. As indicated in table 10, on average the revenue collected capacity of the city had grown 33% during 2006/07 to 2013/14. Out of the domestic revenue, tax revenue accounts the largest share followed by non-tax and municipal revenue. Generally, there was a continuous increment in revenue resulted from the implementation of Tax reform program, a prolonged awareness creation activities, efficient tax collection schemes, public communications by the city administration using different media eventually result in improved revenue etc. Tax revenue performance measured in terms of tax-to-GDP ratio it doesn't vary and/or; almost similar while, the total tax revenue collected during 2013/14 which was more than that of the preceding year.

As one can see from table 9, non-tax revenue performance has become improved. During 2013/14, the actual non-tax revenue collection was 21.6% of the planned which was lower than that of the preceding year it was 25.1% of the budget. The actual amount of non-tax revenue collected in 2012/13 decreased by Birr 46.13 million (-4%) but recovered in 2013/14 and reached 1.5 billion birr. In addition to the good performance in domestic revenue collection, the city administration also raised a grant amount of birr 1.78 billion during 2013/14.

### **2.1.6 EXPENDITURE PERFORMANCE**

The city administration follows prioritizing approach for expenditure pattern across the sectors. This is to allocate more resources to build economic & social infrastructure and provide basic services with the aim of overcoming poverty and achieving rapid economic development. Out of the total expenditure city administration allocated 65% for capital and 35% for recurrent in 2012/13. However, the share of recurrent expenditure has declined since 2008/09, while the share of capital expenditure has increased. This reflects the fact that the city administration has dedicated to enhance growth by providing improved infrastructure and service.

### 2.1.6.1 EXPENDITURE FINANCING

**Table 10: Trends of Addis Ababa City’s Actual Revenue-Expenditure Financing Summary in Billion**

<b>Description</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2012/13</b>	<b>2013/14</b>
Total Revenue & Grants	2,425.22	3,141.24	4,313.06	5,162.41	9,748.53	13,227.02	19,095.32
Total Expenditure	2,701.47	3,839.87	5,606.35	4,916.72	6,775.56	12,535.38	18,013.35
Recurrent Expenditure	876.97	991.75	1,558.81	2,010.28	3,361.85	4,678.80	6,439.75
Capital Expenditure	1,824.50	2,848.12	4,047.54	2,906.44	3,413.71	7,856.58	11,573.60
Treasury	2,625.09	3,700.05	*	4,900.72	6,625.30	12,311.78	16,227.63
Road fund	26.89	39.80	*	*	44.36	41.6	50.53
External Grant	48.65	65.80	*	13.40	104.95	402.513	1,785.72
Expenditure growth in %		29.52	37.30	19.69	36.91	85.00	43.70

*Source: AACBoFED, Seven years IBEX report, 2014*

*\* Data is not available*

As depicted in table 10 above, during 2006/07-2013/14, the city’s total revenue and grants have been on average grown by 1,543.11 billion birr (63.6%) annually. But its expenditure exceeded its revenue from 2007-2009. However, the total revenue collected and grants from 2010-2014 were adequate enough to cover the city’s overall expenditure. From 2007/08 to 2013/14, a total expenditure has grown with an average annual rate of 42.02%.

### 2.1.6.2 RECURRENT AND CAPITAL EXPENDITURE

The major expenditure classification of the city lay on recurrent and capital. Both expenditures have been increased in volume in the past eight years. Their share also aligned with the city administration priority.



**Table 11: Trends of City Administration Recurrent and Capital Expenditure from 2007/08-2013-14**

<b>Budget Year</b>	<b>Total Expenditure</b>	<b>Recurrent % share from the total Expenditure</b>	<b>Capital % share from the total expenditure</b>	<b>Total expenditure growth in Birr</b>
2006/07	2,701.47	32.46	67.54	-
2007/08	3,839.87	25.83	74.17	1,138.40
2008/09	5,606.35	27.80	72.20	1,766.47
2009/10	4,916.73	40.89	59.11	-689.62
2010/11	6,775.56	49.62	50.38	1,858.83
2011/12	8,323.88	42.96	57.04	1,548.32
2012/13	12,535.39	37.32	62.68	4,211.50
2013/14	18,013.35	35.75	66.25	5,477.96

*Source: AACBoFED, Seven years IBEX report, 2014*

According to table 11 above, the actual total expenditure city administration in 2006/07 was birr 2.7 billion, of this the recurrent accounts for 32.46 and the remaining 67.54 was for capital. Similarly in 2013/14 the total expenditure reached birr 18,013.35. Of this the recurrent accounts for 35.75 and the remaining 66.25% was for capital.

## **2.1.7 CAPITAL PROJECT PERFORMANCE AND COMMUNITY PARTICIPATION**

### **2.1.7.1 URBAN LAND MANAGEMENT**

Urban land lease is one of the major sources of revenue for the urban centers in Ethiopia and instrumental to the socio economic development of a city administration. Based on this principle, the city administration undertook a reform in the sector to effectively and efficiently manage its land though it has been facing serious problems such as rent seeking and corrupted behavior. To solve these problems the city administration has arranged different trainings and workshops to enhance the capacity of senior officers and officers that are in charge of provision of land. On the other hand, land institutions have been restructured and systems have been put in place. According to the lease policy no. 721/11, the city administration gave direction to supply and transfer land through official bid process. Accordingly, during the five years (2007/08-2012/13) 2,996 hectare of land was transferred through bid and birr 4.4 billion

was collected from the sector. According to Addis Ababa City Government Land Development and Urban Renewal Agency, it was disclosed that the administration provide 365.28 hectares of land for construction of condominium, 43.53 hectare of land for real estate developers, 128.307 hectares of land for investment in social infrastructures, 41.227 hectares of land for industrial development,174.8 hectares of land for different purposes in 2012/13. In relation to this, total amount of 116,190,365.01 Birr income was obtained from land development program in the same fiscal year. Currently, about 572,156,000 households are constituted in the rehabilitation program.

Making Addis Ababa modernized and conducive for its residents, needs an integrated city plan for renewal is given due attention by the city administration in the period under review. Renewal activity is being carried out on more than 155 hectares of land. Consequently, 9,269 houses were demolished. 4,000 condominiums, 1,320 Kebele houses were provided and 1,401 land owners were given other lands as a substitute for displaced dwellers of the city administration. Compensation of birr 550 million was provided for displaced land owners for their relocation according to the report of Office of Mayor 2014.

#### **2.1.7.2 INTEGRATED HOUSING DEVELOPMENT AND GOVERNMENT CONSTRUCTION**

As clearly stated in the first FDRE GTP, the main objectives of Urban and Construction Development are improving the living standards of urban residences by reducing unemployment and poverty through wide use of main power in infrastructure construction and management by capacitating local construction industry; improving the quality of design and construction works; enhancing the role of the industry sector in job generation and expansion of local contractors, consultants and suppliers and building their capacity. The aim of urban development particularly in Addis Ababa is reducing urban slums and addressing housing problems, to promote domestic savings and creating a wide range of job opportunities, constructing affordable and good quality plus standardized urban housing for all urban residences.

### **2.1.7.2.1 INTEGRATED HOUSING DEVELOPMENT PROGRAM**

Housing is one of the most important basic services which affect the lives of almost the whole population. According to CSA (2007), the available stock of houses accommodates about 73% of the households and the remaining 27% are homeless people. As a result of rural-urban migration and natural increase, there is an alarming population increase of 3.8% annually in Addis Ababa. This causes shortage of housing in the urban centers. Likewise, housing is the major problem of Addis Ababa.

The main focus of the program is to address urban housing problems and generate employment opportunities. Particular attention has been given to the low and middle income homeless residents of the city administration. As a result, the city administration enables its citizens to develop saving habits and possess houses and creating job opportunities for micro and small enterprises. Based on this, the number of ongoing housing projects and transferred to beneficiaries were 175,246. In addition to these, the city administration undertook the construction of houses through different packages such as 10/90, 20/80, 40/60.

**Table 12: Number of constructed and Transferred Condos in Addis Ababa from 2005/06-2013/14**

<b>Year</b>	<b>No. of House Constructed</b>	<b>No. of Houses Transferred</b>	<b>No. of Houses not transferred</b>
2005/06-2006/07	37,353	34,019	3,334
2007/08-2008/09	27,707	26,039	5,001
2008/09-2009/10	20,330	10,769	14,562
2010/11	17,171	10,000	21,733
2011/12	44,709	7,300	59,142
2012/13	33,913	20,335	72,700
2013/14	54,026		12,672
<b>Total</b>	<b>235,209</b>	<b>108,462</b>	

*Source: Addis Ababa Housing Development Project Office, 2014*

As depicted in table 12 above, the city administration had constructed 235,209 condos and transferred 108,462. The city administration up to the end of 2011/12 outlays 16 billion birr for the low cost housing program. In general, the administration allocated more than 24 billion birr subsidy for successfulness of the program.

### **2.1.7.2.2 GOVERNMENT CONSTRUCTION**

The city government engaged in huge investment basically in the construction of public service rendering institutions. In 2012/13, the construction of 45 government offices was planned and 24 of them fully completed. 66 health centers were planned and 31 of them complete. In terms of Educational Institutions, 61 planned and 25 buildings had completed. 35 youth centers were planned and 15 of them completed and the rest were in progress.

### **2.1.7.2.3 COMMUNITY PARTICIPATION**

It is imperative that, development of the city is impossible without active and sense of ownership of community participation. It is the cumulative effect of the contribution of its residents, government and other development stakeholders. Hence around 1.3 billion wealth have been invested by the resident in the past three years both in kind and in cash aimed at supporting the development endeavor of the government. Therefore, it is impossible to develop a city without active participation of its community.

## **2.2 INVESTMENT**

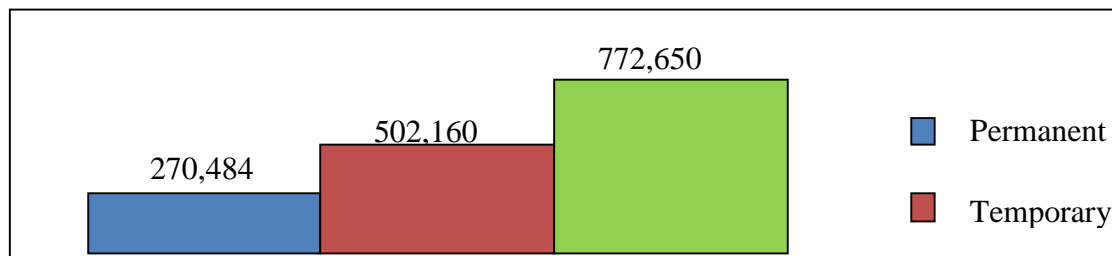
The investment sector is one of the major sources of revenue and employment opportunity of Addis Ababa city. The sector has been making progress every year. In this sector Ethiopians, Diasporas and foreign investors are participating in different projects. Table 15 below shows the status of licensed and approval investment projects and employment opportunity from 2007/08-2012/13.

**Table 13: Approved Investment Projects, their Capitals & Employment Opportunity from 2007/08-2013/14**

S/No.	Type of project	No. of project	Share in %	Capital	Employment Opportunity		
					Permanent	Temporary	Total
1	Construction	2,849	15.59	23,392,039,541	94,495	97,601	192,091
2	Manufacturing	3,455	18.91	14,078,880,959	52,629	230,239	282,868
3	Real Estate	422	2.31	14,517,602,984	13,757	43,364	57,121
4	Machinery rent	10,161	55.60	24,305,051,219	35,415	31,157	66,573
5	Education	80	0.44	271,881,500	1,172	2,433	3,605
6	Health	133	0.73	1,270,199,325	5,489	3,346	8,835
7	Hotel and Tourism	528	2.89	21,097,449,313	32,686	35,378	68,074
8	Agriculture	116	0.63	537,845,510	2,093	1,536	3,629
9	Others	531	2.91	3,660,464,024	32,748	57,106	89,854
	<b>Total</b>	<b>18,275</b>	<b>100.00</b>	<b>103,131,414,374</b>	<b>270,484</b>	<b>502,160</b>	<b>772,650</b>

*Source: Addis Ababa City Administration Investment Agency, 2014*

According to table 13 above, a total of 18,275 projects with a total capital outlays birr 103,131,414,374 have already got license. Machinery rent (55.60%), manufacturing (18.91%) and construction (15.59%) registered the largest share of investment capital. Similarly the aforementioned projects were the major sectors that investors mainly engaged in. As indicated in the table 15 above the investment sector created job opportunities for 772,650 unemployed dwellers of the city. Manufacturing, Construction and hotel and tourism were the three major sectors that created both permanent and temporary employment opportunity compared to others. With regard to employment, 270,484 permanent and 502,160 temporary employment opportunities were created from 2007/08 to 2013/14 as indicated in figure 3 below.

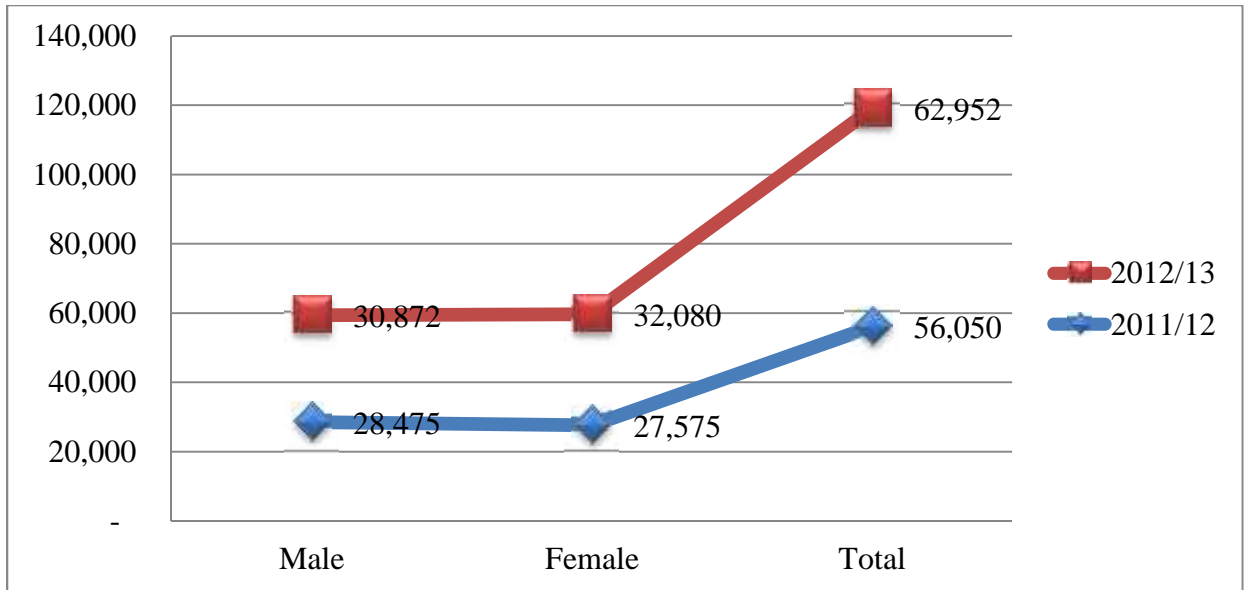


**Figure 3: Employment Creation of the Investment (% of total), 2007/08-2013/14**

*Source: Addis Ababa City Administration Investment Agency.*

### **2.3 HUMAN RESOURCE OF THE CITY**

Well trained human resource having defined and recognized mission of the institution is an input in order to materialize any development plan and strategy. In this respect, the city administration organized and structured different offices to render services to the customers. According to figure 4 below, in the city administration there were a total of 56,050 permanent civil servants in the year 2011/12, out of which the number of male employees was 28,475 and the rest 27,575 were females. But in 2012/13 the total number of permanent employees except teachers in all levels increased to 62,952 and 51 % of them were female employees'.As the figure indicated the sex ratio in the civil service was balanced.



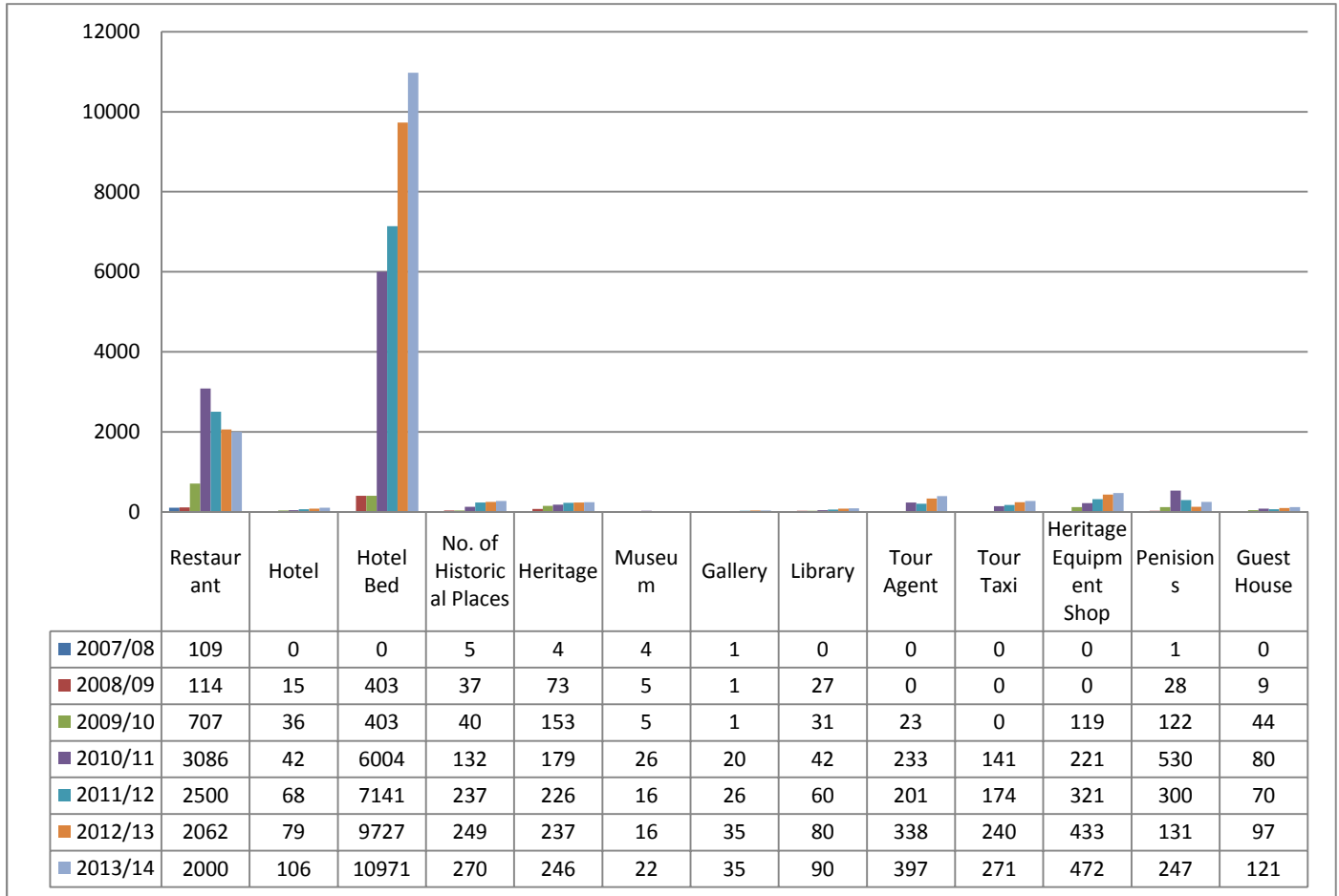
**Fig 4: Human Resource of the City from 2011/12 -2012/13**

*Source: Addis Ababa Civil Service Agency ICT 2013 Report*

## **2.4 CULTURE AND TOURISM**

As stated in the GTP of the Federal Democratic Republic of Ethiopia, culture and tourism has an objective of making Ethiopia among the best tourist destination in Africa. The Culture and Tourism program of the GTP is aimed at maintaining sustainable tourism development through conservation of unique cultures and cultural heritages, and encouraging community participation. In order to achieve this goal it is important to register, preserve, develop and promote cultural and tourist attraction sites. Similarly enhance earnings from the sector, enhance accessibility of cultural and tourist sites and undertake promotion activities. According to World Planet Magazine (2013) Addis Ababa is one of the ten top cities of the world that tourists are to visit in 2014. Well-developed metropolitans are the center of tourist destination in all aspects including conference tourism. Like other cities of the world, Addis Ababa has a number of tourist sites. Tourist service facilities are important elements to attract tourist and tourist flow in a given country. The establishment of city Tourism Transformation council comes in to being in 2014.

As indicated in figure 5 below, Addis Ababa acquire a number of tourist facilities such as star label hotels, restaurants, pensions, tour agents etc. In the city, in the year 2013/14 there were 106 star label hotels with 10,971 bed rooms, 247 pensions, 271 tourist taxis, 472 heritage shops, and 121 guest houses.



**Figure 5: Trends of Tourist Sites and Facilities in Addis Ababa from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Culture and Tourism, 2014*

## **CHAPTER 3: SOCIAL UTILITIES**

### **3.1 EDUCATION SECTOR**

This educational aspect/dimension is ordinarily measured by literacy, school enrollment, and dropout or completion rates. Education sector is one of the key focus areas of GTP and MDG. Accordingly, the GTP has the goal of creating productive, knowledgeable and innovative citizens who contribute to the realization of the long term vision of making Ethiopia a Middle Income Economy.

#### **3.1.1 LITERACY RATE**

Literacy is crucial precondition for any social-economic development. A person is considered as literate if he/she can read and write a simple sentence in any language while literacy rate is the proportion of population aged ten and above to read and write. About 86.4% of the population of Addis Ababa was literate in 2006/07(CSA, 2007). The literacy rate by sex also reveals that there was a significant difference between males and females. Thus, about 94.3 percent of male population was literate while the proportion of literate female populations was accounted for 80.1percent (CSA, 2012).

**Table 14: Comparison of Literacy Rate in Addis Ababa Population Aged Ten Years and Above by Sex and Literacy in 2011/12 (in %)**

Region	Total no. of Population/Ten Years & above			Literacy Status					
				Literate			Illiterate		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Addis Ababa	2,636,013	1,183,148	1,452,865	86.4	94.3	80.0	13.5	5.7	19.9

*Source: CSA, Urban Employment Unemployment Survey Addis Ababa, 2012*

Table 14 above disclose that there is an improvement in literacy rate in Addis Ababa city in 2011/12. The literacy rate by sex in 2012 indicated a similar trend with that of the previous years. Hence, 94.3 % of male was literate whereas the proportion of literate among female populations was accounted for 80%. While compared to 2010/11, the literate rate of male (86.1%) and female (93.1%) both sex account 80.3% and illiterate rate of male and female was 13.9% and 7.0% respectively. Illiterate for both sexes was 19.7%. Therefore, there is an



increment of an average literacy rate of the city in 2011/12, (86.4%). The illiteracy rate in the city has been declined from 19.7% in 2010/11 to 13.5 % in the year under discussion.

### **3.1.2 INDICATORS OF THE CITY EDUCATION**

#### **3.1.2.1 ACCESS AND COVERAGE INDICATOR**

Access measures the proportion of children who have got right to entry to school and the total population of the official school admission age. Whereas coverage measures out of the total size of the school age population the number of children in school. It is used for assessing how far a country/region has succeeded in bringing children who reached to school age to school. The following table summarizes the number of Addis Ababa students with their respective grade level.

**Table 15: Total Number of Students by Grade Level in Addis Ababa from 2007-2013/14**

Grade level	Academic Year						
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
ECCE	93,936	94,344	98,272	118,840	120,918	138,507	147,453
Primary (1-8)	502,026	485,792	479,927	448,517	487,344	544,303	546,516
Secondary (9-12)	139,076	137,922	146,838	152,571	154,211	159,151	151,037
Preparatory (11-12)	26,025	30,254	36,297	42,480	50,067	52,667	50,618
IFNL	*	*	*	29,053	25,846	27,228	49,658
<b>Total</b>	<b>761,063</b>	<b>748,312</b>	<b>761,334</b>	<b>791,334</b>	<b>838,386</b>	<b>921,851</b>	<b>945,282</b>

*Source : Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

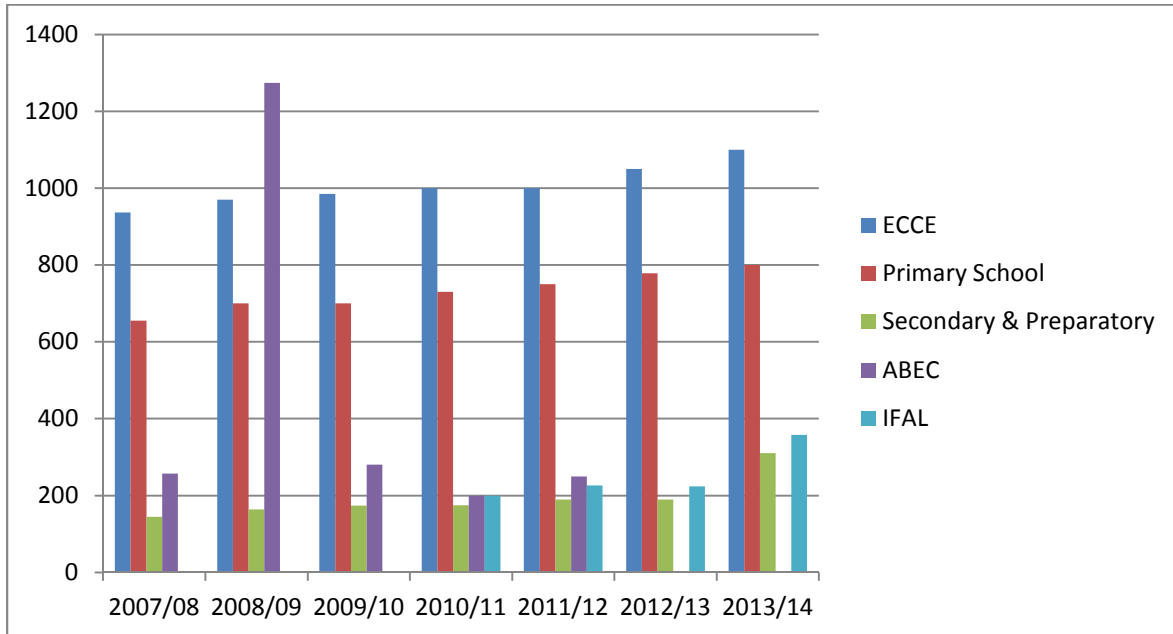
*\* Data is not available*

According to table 15 above, in 2007/08 there were a total of 761,063 students in different levels in Addis Ababa. Out of them 93, 936 ECCE, 502,026 primary school students, 139,076 secondary school students and 26,025 preparatory students. Whereas in 2013/14, the total number of students in the city increased to 945,282 of which the number of ECCE, primary, secondary and preparatory students and IFNL were 147,453; 546,516; 151,037; 50,618 and 49,658 respectively. The data show a gradual increment in the number of students in all levels in the subsequent years under discussion.

### **3.1.2.1.1 NUMBER OF ABEC, ECCE, IFAL, PRIMARY AND SECONDARY SCHOOLS IN ADDIS ABABA**

In Addis Ababa city administration there exist many schools which are run by government, private, missionaries and public. A number of education facilities are available in the city from nursery to higher level education. With the aim of up grading the quality of education, the city administration has been extensively working towards capacity building activities such as fulfilling school facilities, upgrading schools, training of teachers, giving emphasis on science and technology and introduction of ICT in high schools.

Figure 6 below presents the aggregate number of educational institutions in different levels in the subsequent years from 2007/08-2013/14. Accordingly, in 2007/08 there were 937 ECCE, 655 primaries, 145 secondary and 257 alternate basic education centers (ABEC) schools in Addis Ababa. The number of institutions has increased every year and reached 10, 50,768,187, and 351 ECCE, primary, secondary schools and IFAL centers in 2013/14 the city.



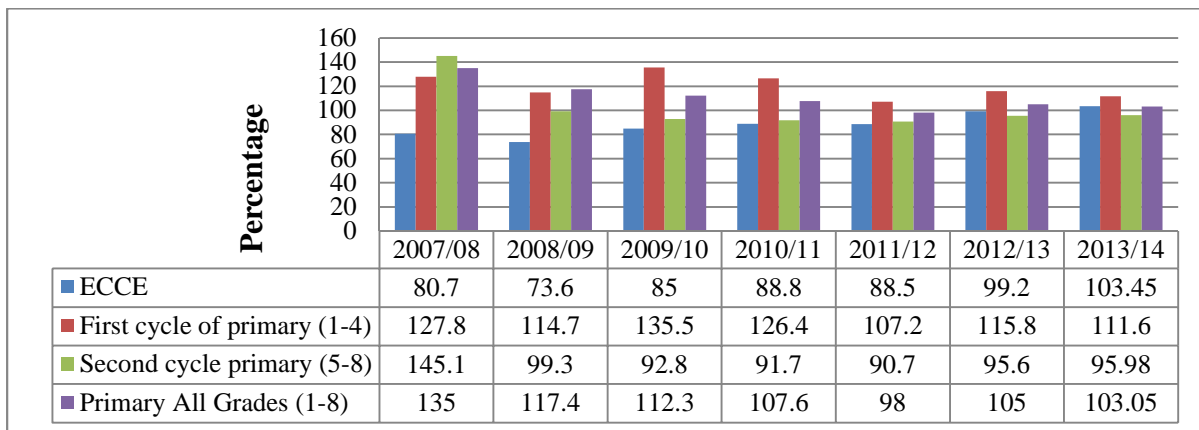
**Figure 6: Numbers of Educational Institutions in Addis Ababa from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Education Statistical Abstract, 2014*

### 3.1.2.1.2 GROSS ENROLLMENT AND NET ENROLLMENT RATIO

#### 3.1.2.1.2.1 GROSS ENROLLMENT RATE

Fig 7 below presents the rate of gross enrolment of students in different levels in Addis Ababa. According to AACBoE, the rate of ECCE enrollment ranges from 80.7% in 2007 to 103.45% in 2013/14; though there was inconsistent in enrolment rate in those mentioned years here above. With regard to Primary and secondary school enrolment, there was a similar trend in the past five years. For instance as depicted in figure 8 below, in primary schools all (1-8) student gross enrolment rates vary from 135% in 2007/08 to 103.05 % in 2012/13. The gross enrolment rate of secondary school also varies from 111.8 in 2000 to 68.42 % in 2013/14. Therefore, the data explains that there is a slight decline of gross enrolment rate both in primary and secondary schools.

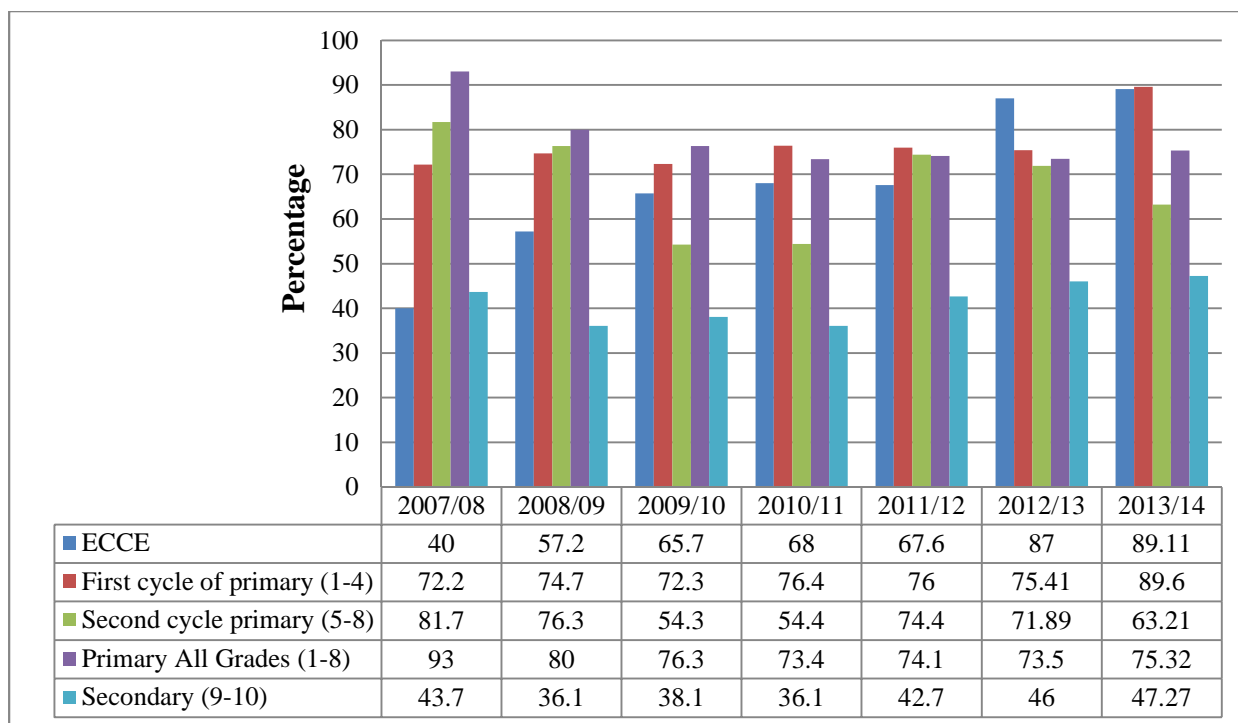


**Figure 7: Trends of Gross Enrollment Rate at different levels in the subsequent years from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

#### 3.1.2.1.2.2 NET ENROLLMENT RATE

With regard to net enrollment rate (NER), there is a gradual increase in all levels of schools in the city administration. As indicated in figure 9 below, the total NER of primary school (1-4) rose from 72.2% in 2007/08 to 89.6% in 2013/14. Likewise similar trend was seen in secondary schools. The NER of secondary schools in 2007 was 43.7% with a fluctuation trend but gradually reached to 47.27 % in 2013/14.



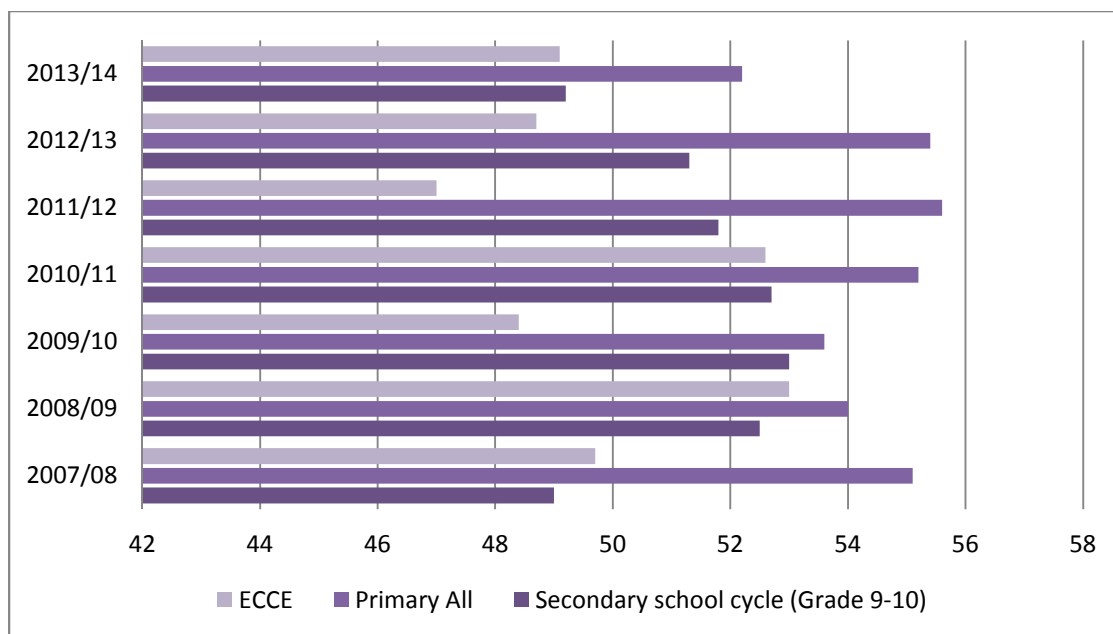
**Figure 8: Trends of Net Enrollment from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

### **3.1.2.2 EQUITY INDICATOR**

#### **3.1.2.2.1 FEMALE STUDENT PARTICIPATION IN EDUCATION**

Education is one of the means of empowering women and ensuring their active participation in social and economic aspects of the society. As figure 9 indicates, the percentage of female students in ECCE was 49.1% both in 2007/08 and in 2013/14 though there was a slight inconsistency in the years under discussion. With regard to Primary school, the percentage of female students' participation decreased from 55.1 in 2007 to 52.2 in 2013/14. Similar to ECCE level, the percentage of female student's participation in secondary school hasn't shown significant change in the last seven years compared to male student. This implies that there was a slight shift of dominance of female students in primary schools compared to other grade levels in Addis Ababa.



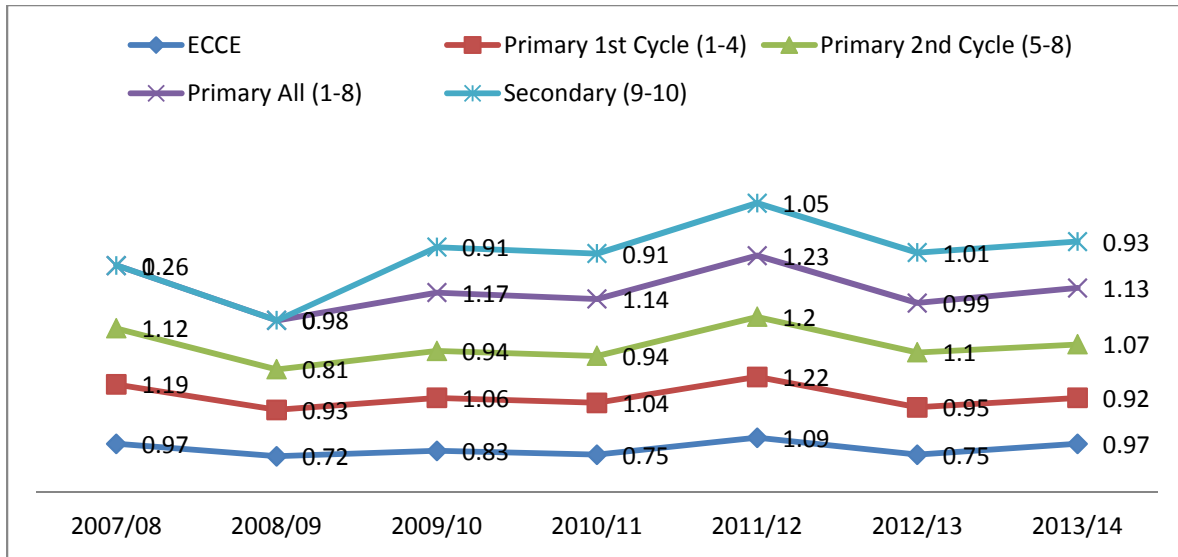
**Figure 9: Percentage of Female students' participation in different levels from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

### **3.1.2.2.2 GENDER PARITY INDEX**

The Gender Parity Index (GPI) is a socio-economic index usually designed to measure the relative access to education of males and females; or in other words gender parity index and gender gap indicate the direction of gender parity in enrollment between boys and girls. In its simplest form, it is calculated as the quotient of the number of females by the number of males enrolled in a given stage of education (primary, secondary, etc.) It is used by international organizations, particularly in measuring the progress of developing countries.

As indicated in figure 10 below, the Gender Parity Index (GPI) in Addis Ababa for apparent intake rate has shown a remarkable improvement. Except for secondary level students that the GPI was about and above 1:1 in the years under discussion. This shows that the gender parity index was positive and in a favor of girls.



**Figure 10: Trends of Gender Parity Index of Addis Ababa from 2007/08-2013/14**

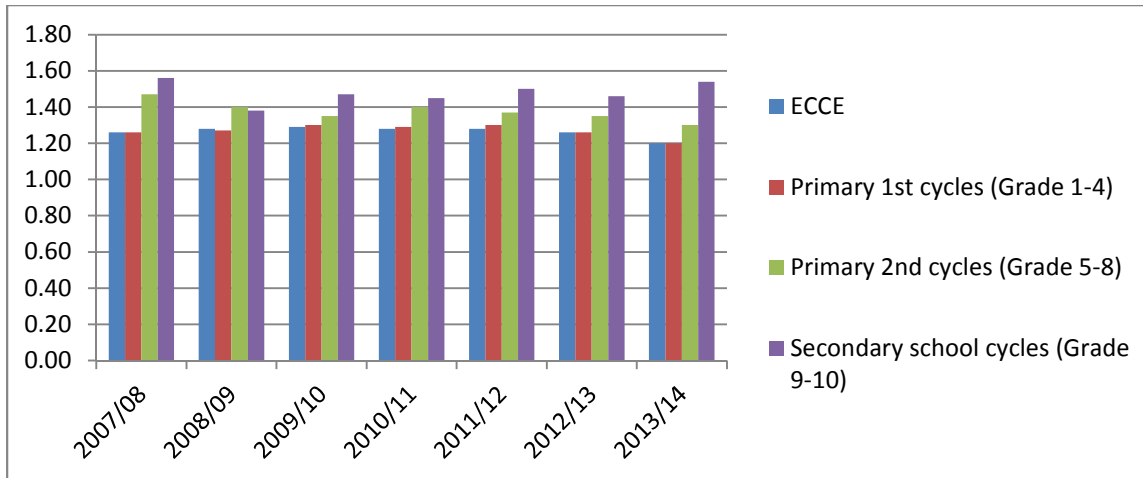
*Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

### **3.1.2.2.3 QUALITY INDICATORS**

Quality of education can be expressed in terms of pupil to section ratio, number of qualified teachers with their ratio, section-pupil ratio, student-teacher ratio, student-text book ratio and other school facilities. In this regard AACBoE made efforts to ensure the quality of education like building of schools, training of new teachers, up-grading of schools, provision of school facilities, encouraging private investors to participate in the sector etc.

#### **3.1.2.2.3.1 Pupil-Section Ratio and Pupil-Teacher Ratio**

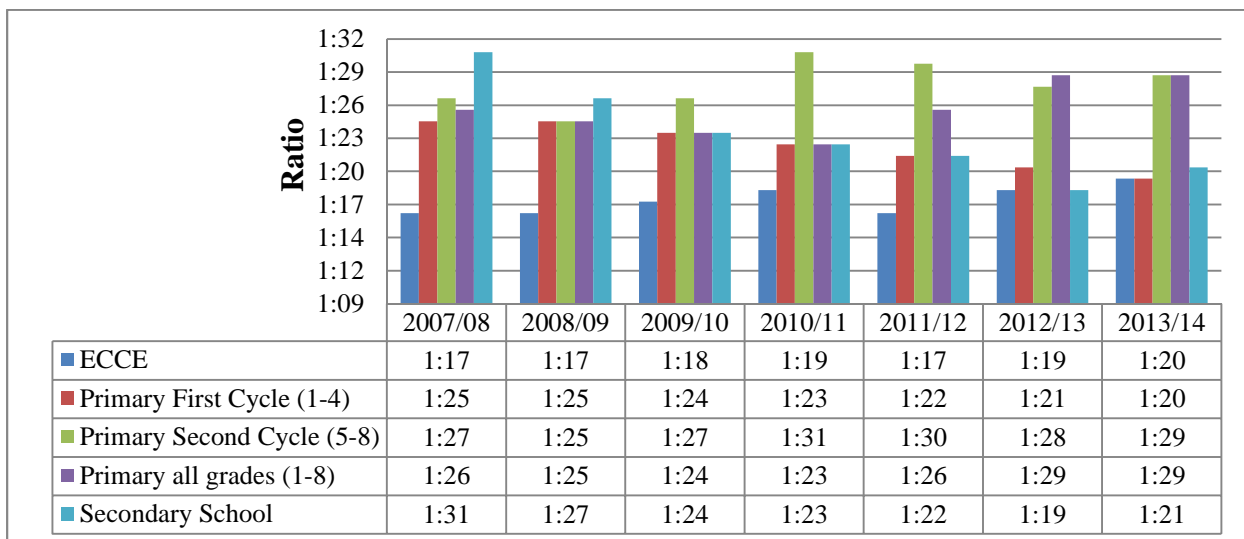
As indicated in figure 11 below, in 2007/08 section /student ratio in ECCE was 1:28. The ratio has been stable to some extent in the last seven years and reached 1:20 in 2013/14. With regard to primary schools it has shown a gradual improvement in the years under discussion. The same is true for the pupil-section ratio of secondary school; it improved from 1:56 in 2007/08 to 1:48 in 2013/14.



**Figure 11: Trends of Pupil-Section Ratio indifferent levels from 2007/08-2013/14**

Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014

Figure 12 below depicts the pupil teacher ratio of ECCE and primary school in the past seven years from 2007/08-2013/14. With regard to proportion of Pupil-to-teacher of ECCE, there was inconsistent and thus ranges between 17 for 2007/08, 19 for the year 2010/11 and increased to 20 for the year 2013/14. In contrast to ECCE, the pupil -teacher ratio of primary level has shown a declining trend for the last seven years. As we see from figure13, pupil-teacher ratio of all primary level was 1:26 in 2007/08 and then decline to 1:29 in 2013/14.



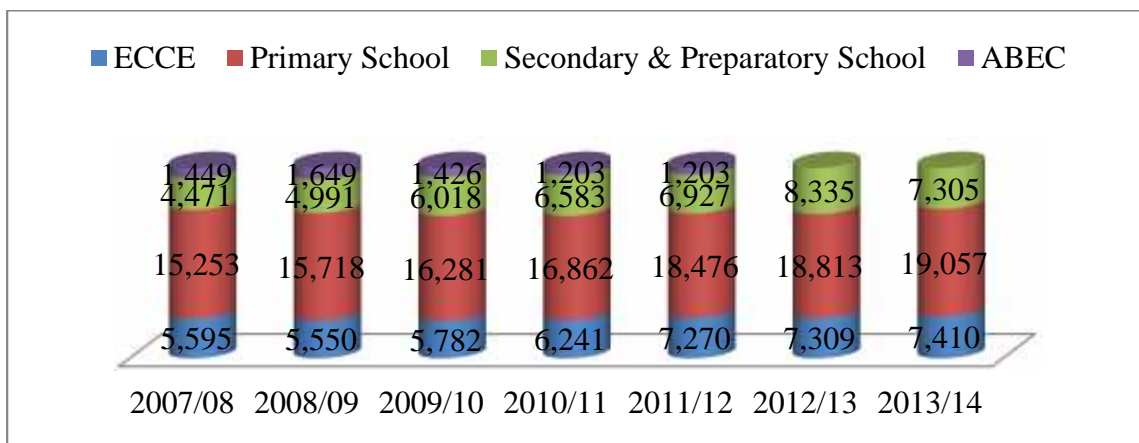
**Figure 12: Trends of Pupil -Teacher Ratio in Different Levels from 2007/08-2013/14**

Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014

### 3.1.2.2.3.2 Number and Qualification of Teachers in Different Levels and their Qualifications

Qualified and well trained teachers are one of the inputs that help to ensure quality of education. Figure 14 below presents the number of teachers in different levels and their qualification in the past five years.

As indicated in figure 13, in 2007/08 there were a total of 26,768 teachers who were teaching in different levels in Addis Ababa of whom 5,595 ECCE teachers, 15,253 primary school teachers and 4,471 secondary school teachers. The number of teachers gradually increased for the last seven years and reached 7, 410, 19,057 and 7,305 for ECCE, Primary and secondary schools by 2013/14.C respectively.



**Fig. 13: Number of Teachers in Different Levels from 2007/08-2013/14**

*Source: Addis Ababa City Bureau of Education Statistical Abstract, 2014*

In general, in the past decade the share of qualified teachers in all levels has been showing significant improvement as the result of the close concern of the city administration, community, non- governmental organizations and other stake holders.

According to the national standards, the primary education (Grade1-8) requires teachers with a minimum qualification of college of teacher education (CTE) and at least first degree for secondary education (Grade 9-12) teachers. The share of qualification of teachers is presented in table 16 below.



**Table 16: Share of Qualified Teachers in Different levels in Addis Ababa from 2007/08-2013/14**

Share of Qualified teachers	2007/08	2008/09	2009/10	2010/11	2012/13	2013/14
ECCE Certified	70.70%	75.00%	80.00%	85.00%	*	*
(1-4) TTI and above	98.40%	99.00%	99.00%	99.50%	99.50%	100%
(5-8) Diploma and above	80.00%	95.00%	96.00%	97.00%	96.00%	98.00%
(1-4) Diploma holders (Cluster and Linear)	50.00%	55.00%	65.00%	75.00%	85.00%	84.00%
(5-8) Degree holders	40.00%	45.00%	50.00%	70.00%	90.00%	70.00%
Secondary (9-12) Degree	93.10%	94.00%	95.00%	96.00%	97.00%	99.00%

*Source: Addis Ababa City Bureau of Education, Statistical Abstract, 2014*

*\* Data is not available*

Accordingly, table 16 above indicates the percentage of qualified teachers in early childhood and care education, primary and high schools. Based on the table, the share of qualified ECCE teachers increased from 70.70% in 2007/08 academic year to 85% 2011/12. Similarly, in the given period the share of qualified first cycle primary teachers increased from 98.40% to 100%. But significant change was observed in the share of qualified diploma and degree holder teachers teaching in first and second cycle primary schools. For example the share of qualified degree holder teachers teaching in second cycle primary school increased from 40% in 2008/09 to 70 % in 2013/14. With regard to qualified secondary school teachers, it grew from 93.1% in 2008/09 to 99 % by 2013/14. Generally, with the effort of city administration, great achievement was recorded in all levels of education concerning the share of qualified teachers as an input to ensure the quality of education in the city.

#### **3.1.2.2.4 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)**

TVET focuses on training of youth workforce that is demanded by industry, particularly the growing manufacturing industry. The city administration established a TVET agency to manage, regulate and control the sector and closely work with MSEs. This agency plays a pivotal role in producing and meeting the demand of middle level skilled man powers of the ever growing industries. Technical and vocational training colleges and institutions are home of qualified technicians that run the industry sector for creating employment opportunity as

well as a means of alleviating poverty and a bridge for technology transfer. Accordingly, Addis Ababa TVET Agency has developed its training capacity which enables to meet this demand. Until now, the Agency trained 145,193 trainees in regular and irregular basis (Mayor Office report, 2013/14).

**Table 17: Number of TEVT Colleges, Trainers and Institutions by Ownership, Gross Enrollment and trainers from 2009/10 to 2013/14**

No.	Goal	Indicators	Base Year 2009/10	2010/11	2011/12	2012/13	2013/14	
1	Enrollment	Total	T	18,005	30,555	32,204	24,954	44,890
			M	8,247	16,182	-	-	23,263
			F	9,758	14,373	-	-	21,672
		Government	T	8,326	17,020	32,204	22,284	29,225
			M	3,375	9,942	-	-	17,517
			F	4,951	70,078	-	-	11,708
		Nongovernment	T	9,679	13,535	-	-	15,665
			M	4,872	6,240	-	-	5,746
			F	4,807	7,295	-	-	9,919
2	Trainers	Total	A	14	14	36	77	97
			B	677	717	1,389	1,335	1,114
			C	191	200	775	1,429	1,530
		Government	A	14	14	35	66	66
			B	677	717	706	721	561
			C	191	200	514	789	954
		Nongovernment	A	-	-	326	111	100
			B	-	-	683	624	553
				-	-	261	640	576
3	Institutions	Total	101	101	104	106	95	
		Government	29	29	22	22	22	
		Private	63	63	67	69	59	
		NGO	9	9	10	10	9	
	Polytechnics	-	-	5	5	5		
4	Number of enterprises involved in cooperative training	Higher industries	373	653	821	468	911	
		SME	-	-	-	-	339	

Source: Addis Ababa City TVET Agency Annual Report, 2014

According to table 17 above, the number of trainees enrolled in TVET increased from 18,005 by 2009/10 to 44,890 in 2013/14. From the total, 23,263 were male and the rest 21,672 were female trainee in 2013/14 which shows balanced proportion of male and female trainees' enrollment in those institutions. Similarly, the table illustrates the number of students enrolled in those institutions. Accordingly, 8,326 and 9,679 trainees were enrolled in government and non-government institutions respectively in 2013/14. Hence, the number of trainees in government and non-government institutions gradually increased to 29,225 and 15,665 respectively by 2013/14. Similarly, the number of trainers ranked as grade level A, B and C in 2009/10 were 14; 677 and 191 respectively. This number rose to 97; 1,114 and 1,530 respectively by 2013/14.

The number of colleges and institutions which were rendering various trainings in the city in 2009/10 were 101 and reached 106 in 2013. Among those 29, 63 and 9 were owned by government, private and NGO respectively. However, their number decreased to 95 in 2013/14.

**Table 18: Annual Intake Capacity of Institutions, Number of Students, Workshops, Number of TVET Graduates in COC from 2012/13-2013/14**

Detail Activities	Year	
	2012/13	2013/14
Annual Intake capacity of Institutions	23,352	30,000
Number of trainee	24,954	44,890
Trainee-Section Ratio	30	33
Number of Workshops	398	419
Number of assessed candidates	4,520	20,966
Number of candidates Passed COC	3,169	13,246

*Source: Addis Ababa City TVET Agency, 2013/14*

According to table 18 here above, the annual intake, number of student's number of workshops, and number of candidates and those passed the assessment has been increased every year. Accordingly, the number of candidates increased from 4,520 to 20,966 and those who passed the competency assessment rose from 3,169 in 2012/13 to 13,246 to 2013/14.

### **3.1.3 HEALTH SECTOR IN THE CITY**

The often used health and related indicators are among the major urban development indicators and they include life expectancy, maternal and infant mortality, death rate, and morbidity (non-fatal health conditions). Information on children's health, nutrition, and access to health insurance are often included, but access to contraception and abortion is not as frequently counted. But in this study some indicators are included.

#### **3.1.3.1 ACCESS TO HEALTH SERVICE INDICATORS**

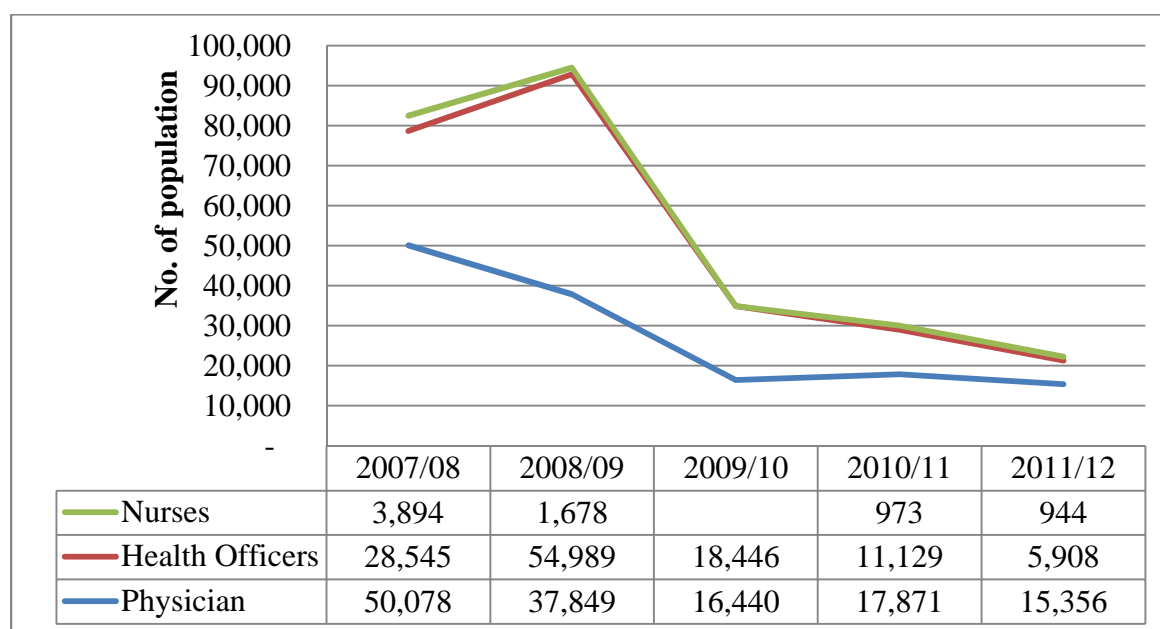
Health is one of the basic social development indicators of population within a given nation. A healthy society is the basis for continual development process and the wellbeing of the society. Therefore, getting an access to health care facility is one of the human rights in Ethiopia. Health related indicators include:- access & equitable coverage of health care facilities, stretched status of mother-child health, health care professionals to population ratio, prevalence of those fatal diseases HIV/AIDS, malaria, tuberculosis etc.

According to CSA population projections of Ethiopia 2007-2037, in 2013/14 the population of Addis Ababa was estimated to be 3,195,000, of whom 1,680,000 were females and the rest 1,515,000 were males. Addis Ababa population accounts 4% of the total population of Ethiopian 87,849,516 million and 21.4% of urban population (16.8 million) of the Country. There were a total of 808,714 households in the city and average household size was 3.9.

As indicated in Ethiopian Demographic and Health Survey of 2012, the TFR of Addis Ababa was 1.5. This means the fertility rate of Addis Ababa is below replacement level. There were substantial differences in the TFR among urban and rural areas. The TFR of Addis Ababa was much less than the national urban average (2.6 %) and country level (5.39%) in 2011/ 2012. The level of fertility is directly related to women's socio economic attainment. In 2013 under-five mortality rates in Addis Ababa were 53 per 1,000 live births which were the lowest compared to other urban centers in Ethiopia. According to CSA population projections, the doubling time of the city's population is 29.1 years and life expectancy at birth is 65.7 years (62.7 for male and 68.7 for female). Infant mortality rate is 50.3 per 1000 live births. In

addition to this, the sex ratio of the city was unbalanced; in 2013/14 the sex ratio of the city was found to be 0.88:1. The sex ratio implies that the number of female population exceeds the number of male population. Furthermore, unbalanced sex ratio has its own social and demographic implication in the city.

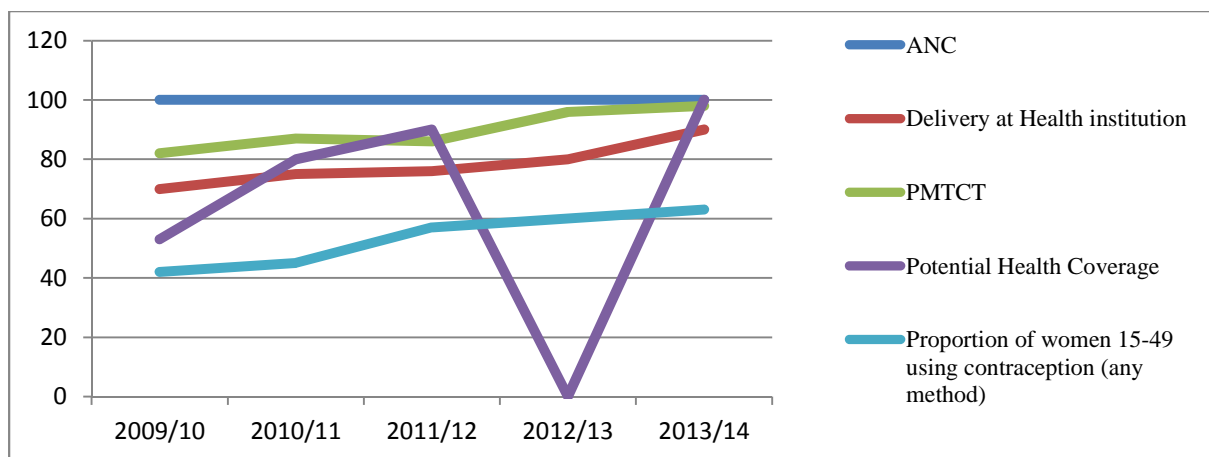
When we see some basic health indicators in the city from figure 14 below, the proportion of physician to population have been increasing from 1:50,078 in 2007/08 and reached 1:15,356 in 2011/12. Similarly the ratio nurses to population ratio had been increasing from 1:3,894 to 1:944 and the health officers from 1:28,545 in 2007/08 to 1:5,908 in 2011/12.



**Figure 14: Trends of Health professionals to population Ratio from 2007/08-2011/12**

*Source: Addis Ababa City Health Bureau 2012/13 Annual Report*

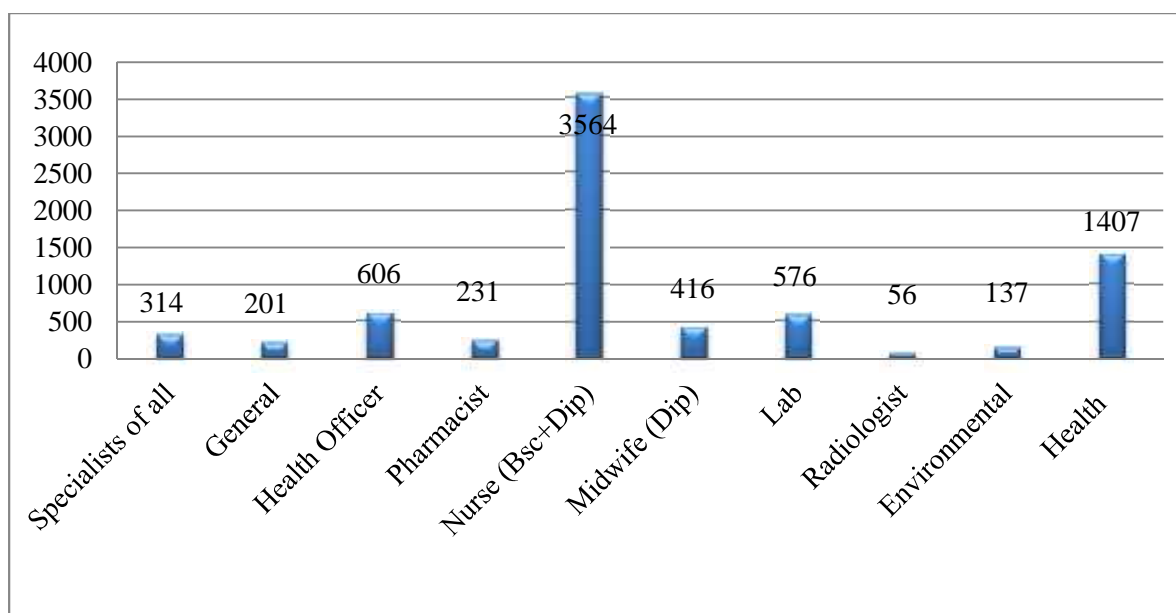
The level of contraceptive use in Addis Ababa, was also very high (63%) compared to the national level. As the report of AACBoH and indicated in figure 15 below, the number of people using family planning shows a tremendous improvement both in long term and short term family planning services. With regard to health care, anti-natal and vaccination coverage the city reached 100% that reveals the achievement of Millennium Development Goal before the time set (2015).



**Figure 15: Trends of Basic Health Indicators from 2009/10-2013/14**

Source: Addis Ababa City Health Bureau 2012/2013 Annual Report and 2014 Mini EDHS

The number of health care personnel is another indicator of health access. As indicated in figure 16, the number of specialist, general practitioner doctors, health officers, pharmacist, nurses, midwife, laboratory technologist, Radiologist and X-ray technologist, environmentalist and health extension workers were 314, 201, 606, 231, 3,564, 416, 576, 56, 137 and 1,407 respectively.



**Figure 16: Number of Health Professionals in Public Sector of Addis Ababa in 2012/13**

Source: FMOH, Health and health related indicators, 2012/13

Moreover, there are about 40 NGOs working in Addis Ababa on different health activities by signing a legal tripartite agreement with Health Bureau & Social & NGOs Affairs Office of the City Administration. The national primary health care units (Health center) availability standard indicator, one Health Center (40,000 residents) is fully achieved.

### 3.1.3.2 HEALTH CARE INFRASTRUCTURE

In this regard, the city administration has been devoting an exhaustive effort to provide health care service for the residents. Thus, the health facilities of Addis Ababa have shown improvement especially in the last five years. Family planning service users reached 43% in 2010/11; which was 22% in 2003/04, mothers giving birth in health institutions reached 81% in 2010/11; it was 15% in 2003/04, mothers got pre-natal service achieved 100% in 2010/11 which was 82% in 2003/04. (AACBoH, 2011/12.)

On the other hand uneven distribution of health institutions observed in the city. Table 20 below illustrates, the number of health institutions which have been giving full service in the city administration.

**Table 19: Number of Functional Health Institutions in Addis Ababa Each Year, From 2007/08-20011/12**

Region	Health Institutions	Ownership	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Addis Ababa	Health post	Government	27	5	6	6	2	-	-
		Private	-	-	-	-	-	-	-
	Health Clinic	Government	-	-	-	-	-	-	-
		Private & NGO	298	338	436	581	700	759	723
	Health Center	Government	27	28	28	30	53	62	86
		Private	-	-	-	-	-	-	-
	Hospital	Government	5	5	5	5	6	6	6
		Private & NGO	22	23	23	25	36	37	37
	Pharmacy and Drug Store	Government	*	*	*	*	*	*	*
		Private	*	*	*	477	528	544	*

Source: Addis Ababa City Bureau of Health Annual Report, 2013/14

\*Data are not available

One of the health access indicators is the number of health institutions delivering services for the public. Table 19 above illustrates, the number of health institutions of Addis Ababa. In 2013/14 there were 42 hospitals (36 private and 6 gov't), 86 Health Centers (all gov't), 723 health clinics from low to higher (all Private and NGO), 544 pharmacies and drug store. The number of health centers increased from 27 (2007/08) to 86 in 2013/14. As a result, the health coverage grew from 34% in 2007/08 to 100% in 2013/14 .The data show that the lion share of health institutions belong to the private sector. Currently, in order to make health accessible the service to the population 50 health centers were under construction 33 of them inaugurated and became operational. The city administration spent over 550 million Birr for the construction and expansion of health facilities.

### **3.1.4 ROAD INFRASTRUCTURE**

One of the key and prior tasks of the city administration is constructing standardized and quality roads to meet the socio economic development needs of city dwellers.

According to AACRA annual report of 2013/14 as depicted in table 20 below, over 6,002.98 km of roads have been constructed and became functional in the city in the past seven years. As indicated table 20, from 2007/08-2013/14, the city had a total of 1,936.6 km asphalt road, 2029.38 km gravel and 2,037 km cobble stone streets each with seven meter width.

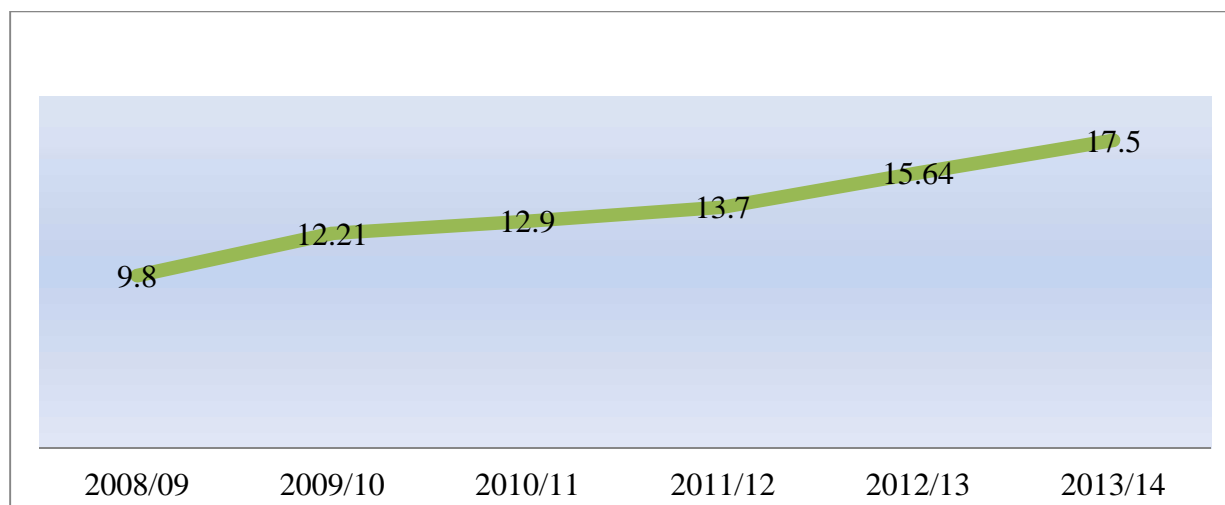
**Table 20.Types of Road Construction of Addis Ababa city from 2007/08-2013/14**

S/No.		Different Types of Construction		
		From 2007/8-2013/14	Length in KM	
1	Types of Construction	1.1	Asphalt	1,936.60
		1.2	Gravel	2,029.38
		1.3	Cobble stones roads	2,037.00
			<b>Total</b>	<b>6,002.98</b>
		1.4	Bridges	362.00
		1.5	Pedestrian roads	2,135.72

*Source: Addis Ababa City Bureau of Communication Affairs Annual Book, 2013/14*

As depicted in figure 17 below, the road network coverage of the city has been improving every year. It rose from 9.8 in 2007/08 to 17.5% in 2013/14. Therefore, the effort made by the city administration was fruitful that enables to achieve to the standard (25%) by the end of first GTP.





**Figure 17: Trend of Road Coverage in % from 2008/09-2013/14**

*Source: Addis Ababa City Roads Authority Annual Report, 2013/14*

### **3.1.5 TRANSPORT CONDITION OF THE CITY**

Transport service is a vital economic sector that helps for swift movement of people and goods from one location to another. In this regard, there are Taxis, medium buses and public buses dominate public transport in the city. Addis Ababa's transportation system has not been efficient and did not align with the increasing number of city population. The level of road comfort in the city is 35% compared to the target set (100%).

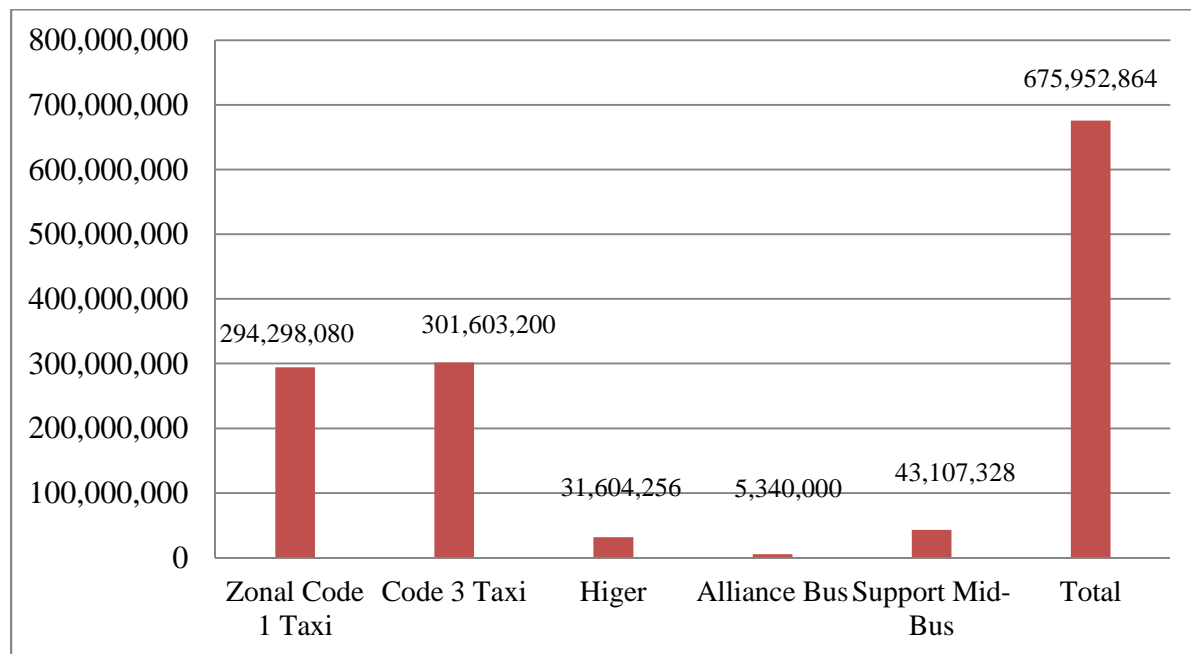
**Table 21: Public Transport Service with Their Passengers in 2013/14**

Description	No. of Vehicles	No. of Vehicles in service	Flight on Average	No. of working days in a year	Fright Capacity	Total No. of passengers	Share in %
Zonal Code 1 Taxi	8,907	6,889	10	356	12	294,298,080	43.54
Code 3 Taxi	7,060	7,060	10	356	12	301,603,200	44.62
Higer	461	411	8	356	27	31,604,256	4.68
Alliance Bus	25	25	60	356	100	5,340,000	0.79
Support		473	8	356	32	43,107,328	6.38
Total	16,453	10,111				675,952,864	100

*Source: Addis Ababa City Bureau of Road and Transport Annual Report, 2014*

As indicated in table 21 above, in 2013/14 there were 16,453 vehicles, of these 10,111 were in service with a total of transporting capacity of 675,952,864 passengers. The largest share (44.62) was taken by Code-3 Taxi followed by Code 1 Taxi (43.54%).

Figure 18 below depicts the public transport service in 2013/14 excluding Anbessa City Bus Enterprise. Accordingly, a total of 451,933,804 passengers were travelled using different means of public transport.



**Figure 18: Number of Passengers Used Different Public Transport Services in 2013/14**

*Source: Addis Ababa City Bureau of Road and Transport Annual Report, 2014*

In order to solve the shortage and inaccessibility of public transport service, the city administration made efforts to strengthen the capacity of Anbessa City Bus Enterprise by subsidy recurrent and allocating capital budget every year. This resulted in improving its freight and transporting capacity.

**Table 22: Total Numbers of Anbessa City Buses and Users in Addis Ababa for Subsequent Years from 2007/08 to 2013/14**

<b>Years</b>	<b>Total number of buses</b>	<b>Number of buses in service</b>	<b>Total number of passengers</b>
2007/08	506	355	154,460,000
2008/09	496	301	102,338,340
2009/10	486	313	107,885,466
2010/11	468	312	98,334,977
2011/12	723	460	128,207,623
2012/13	804	604	193,402,450
2013/14	994	628	22,356,800

*Source: Addis Ababa City Bureau of Road and Transport Annual Report, 2014*

As depicted in the table 22 above, Anbessa city bus enterprise has a total of 628 buses in 2013/14 and transported 22,356,800 passengers during the year. The number of passengers aligns with the number of buses in service. This service greatly unloads the transport problems in the city. Furthermore, Addis Ababa City Government has launched light rail transport on September 20, 2015. The system is the first of its kind in sub-Saharan Africa. The route is a 34.25 km network with two lines; running from the center to the south of the city and the east-west line, with 39 stations. The trains are expected to be able to reach maximum speeds of 70 km/h (43 mph). In addition, the city government has provided 140 blue buses recently that give transportation service specifically to the public sector employees aimed at minimizing the transport shortage at peak hours and also supporting the civil servants.

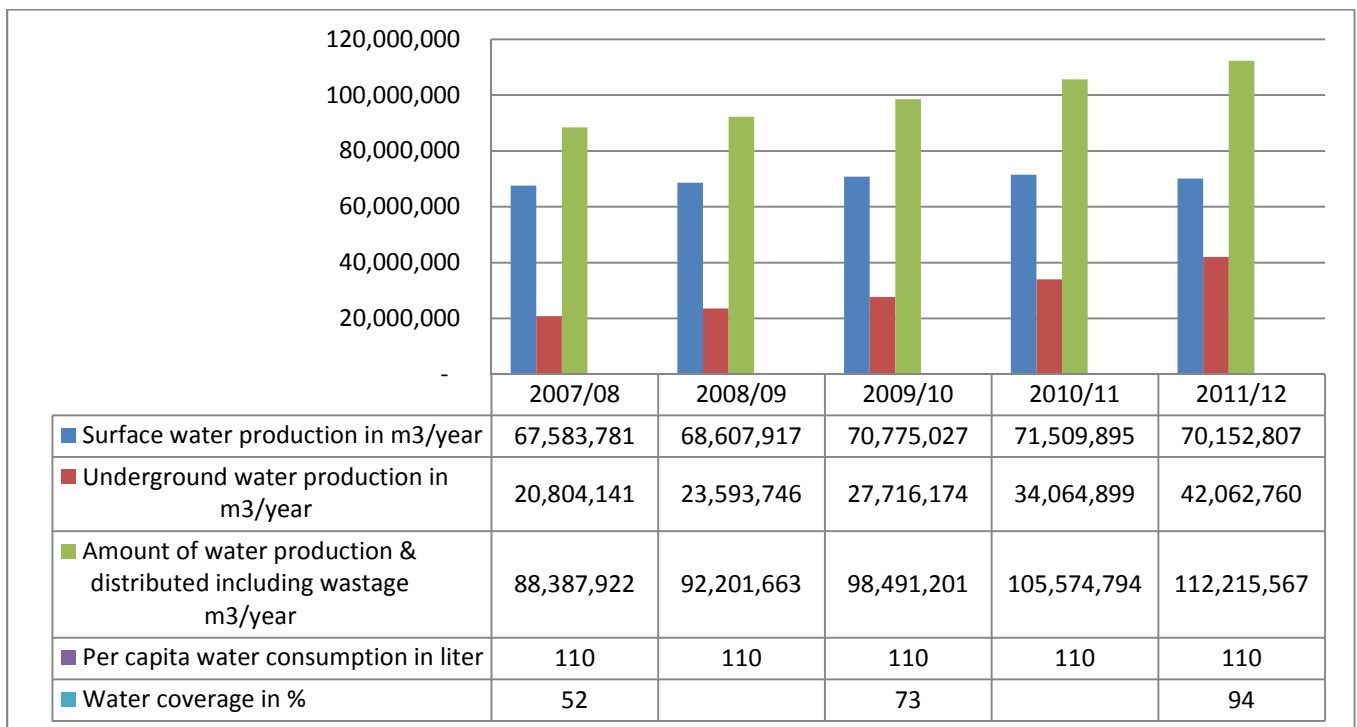
### **3.1.6 WATER RESOURCE, WATER SUPPLY AND SANITATION**

#### **3.1.6.1 WATER RESOURCE AND SUPPLY**

Water availability and its access are among the conditions that make an urban centre comfortable place to live in. Accordingly, the city administration of Addis Ababa worked hard to meet the ever growing needs of its residents. Potable water is one of the favorable conditions of urban centers that attract people to reside. In this regard, the city administration is aggressively working in meeting water needs of the growing population.

As indicated in figure 19 below, in 2011/12 the city administration has been providing 112,215,567m<sup>3</sup> water for its residents from underground (70,152,807 m<sup>3</sup>) and surface water

sources (42,062,760 m<sup>3</sup>). With regarding to water coverage, it had risen from 52% in 2007/08 to 73% in the 2009/10 and made outstanding performance in the year 2011/12 and reached 94%. The amount of water production per day and water distribution and per capita consumption also shows a significance improvement from 232,000 m<sup>3</sup> in 2007/08 to 350,000 m<sup>3</sup> in 2011/12. Figure 20 also shows the amount of surface water production rose from 67,583,781 m<sup>3</sup> in 2006/07 with a slight increase from 2007/08-2011/12 and reached 70,152,807 m<sup>3</sup> in the year 2011/12 and the per capita water consumption of the city reached 110 liter per person. Despite the fact the city has to do to achieve the target set per capita (135 liter).



**Figure 19 Trends of Water Production, Distribution, Consumption and Coverage from 2007/08-2011/12**

*Source: AACWSA Annual Report, 2013*

### **3.1.6.2 SANITATION AND SEWERAGE**

Sanitation and sewerage management and disposal are the important aspects of urban life. In the case of Addis Ababa the waste management that includes sanitation and disposal has handled by both government and private firms, though the sector has faced various problems.

The system (collection and disposal of wastes) is not yet well developed. Recently, efforts have been made to restructure and improve the system. The sewerage disposal capacity of the city administration has been showing progress in the past five years. The performance of the year under discussion was much better than the previous years. According to the 2011 survey study of CSA, 14.9% of housing units of Addis Ababa had flush toilets, 70.7% pit toilets (both ventilated and unventilated), and 14.3% had no toilet facilities.

**Table 23: Solid and Liquid Waste management of the city from 2007/08- 2013/14**

Details	Institutions	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of Institutions engaged in sewerage disposal	Government	1	1	1	1	1	1	1
	Others	19	19	20	20	22	32	38
Number of vehicles in charge of sewerage disposal	Government	67	67	67	76	76	76	73
	Others	34	34	35	35	32	32	67
Disposing capacity of vehicles in M3	Government	425,160	540,682	540,682	522,920	963,072	963,072	925,056
	Others	155,256	178,435	178,435	139,112	405,504	405,504	804,024
Amount of disposed sewerage in M3	Total disposed sewerage	464,336	506,235	604,143	477,468	587,305	589,617	635,380
	Government	313,192	370,042	450,723	437,631	474,852	434,313	435,651
	Others	151,244	136,193	153,420	39,837	112,453	155,304	199,729
Total length of sewerage disposal lines in number	Total length of lines ready to be functional in number	428	333	601	945	1176	*	*
	Total length coverage in KM	6.7	7.5	11	11.9	18.1	18.99	38.13
	Capacity in M3	3,338,398	3,345,305	2,304,072	5,023,198	6,825,500	6,825,500	6,825,500
Beneficiaries of modern sewerage system	Connected customers in number	428	333	601	17,751	1,458	1,192	1,242
	Disposed sewerage in M3	2,464,326	1,949,483	2,141,535	5,028,821	5,580,896	6,841,333	5,709,117

*Source: Addis Ababa City Water and Sewerage Authority, 2013/14 Annual Report*

Table 23 above shows the number of institutions in charge of liquid waste disposal, number of vehicles, disposal capacity, and amount of disposed, length of sewerage line and beneficiaries from 2007/08-2013/14. With regard to institutions engaged in sewerage disposal, both government and other stakeholders participated in managing sewerage. AAWSA is a government institution engaged in this activity. However the number of other institutions engaged in sewerage disposal increased from 19 in 2007/08 to 38 in 2013/14. Sewerage can be handled by both vehicles and sewerage line. Thus, 73 government vehicles with a total of 925,056 m<sup>3</sup> and 67 other institutions with 804,024 m<sup>3</sup> disposing capacity have been performing in 2013/14.

The amount of disposed sewerage increased from 464,336 in 2007/08 to 635,380 in the year 2013/14 both by the authority and other non-governmental institutions. The largest share of sewage waste is disposed by the water and sewage authority (80.85%) and the rest by other institutions. Regarding sewerage line, there were 428 sewage lines in 2007/08 but they increased to 1,176 by 2012/13. The total coverage of sewerage lines also grew from 6.7 km<sup>2</sup> in 2007/08 to 38.13 km<sup>2</sup> in 2013/14 and Parallel to this their disposing capacity rose from 3,338,398 m<sup>3</sup> in 2007/08 to 6,825,500m<sup>3</sup> in those years. As a result of this, a number of household units were become beneficiaries from the modern sewage system. For example, the number of households connected to the modern sewerage system steeply rose from 428 in 2007/08 to 1,242 by 2013/14. With the expansion of modern sewerage system, the disposing capacity of the city increased from year to year and reached to 5,709,117m<sup>3</sup> in 2013/14.

## **CHAPTER 4: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **4.1 SUMMARY OF FINDINGS**

Designing appropriate urban development policies, strategies, programs and plans are very essential to minimize social, economic and administrative problems of the city. Therefore, we need to have adequate, reliable, valid and timely data to fill development gaps and to make sustainable intervention for researchers, policy makers, investors, governmental and non-governmental organizations and for decision makers.

Hence, I have taken the initiative to compile and organize the urban development indicators (UDIs) of the city. Based on this, vital elements of urban development indicators have been identified and presented along with the existed statistics and records. In order to achieve the MDG and GTP, the city administration has made substantial growth endeavor in all aspects. The indicators reveal the most important achievements and gaps in the city.

Accordingly, the major improvements in the city include that the city government has collected 19.095 billion birr in 2013/14 while its expenditure reached 18,013.35 billion birr in the same year. Unemployment rate in the city declined to 25.1% in 2011/12 and job opportunity reached 47% the same year. On the other hand per capital income of the city reached 780 dollar per year in 2013/14.

Moreover, in terms of coverage education reached 98% in 2013/14 while literacy rate increased to 86.4 % (2011/12). Health in terms of the city access and manpower shown improvement and reached 100% in terms of coverage in 2013/14. Water coverage in the city reached 89% in 2013/14 and road according to standard reached 17.5 % the same year. On the other hand, number of public transport in the city increased to 16,637. Up to 2013/14 235,209 condominium houses were constructed and 108,462 were transferred to the residents.

Regardless of the above stated improvements in all aspects of the city, the administration is still facing problems in relation to houses, water and sanitation, transport service and other services due to ever growing demand of the residents.



## **4.2 CONCLUSION**

The world and specifically the developing nations are becoming more urbanized and the pace has been very fast particularly since two decades to date. This rapid urbanization in deed calls for extra services and resources to satisfy needs of the ever increasing population. Unfortunately, this high rate of urbanization is not backed with corresponding economic development and as a result significantly high proportion of the urban population is poor, surviving below poverty line. The wide spread existence of such poverty is manifested in different forms of socio-economic crisis like poor infrastructure facilities, high rate of unemployment, poor living conditions and shortage of housing and others. Because of these reasons many cities in developing countries, like Ethiopia (Addis Ababa), are already facing by enormous backlogs in shelter and other basic services. Nowadays this is becoming a pressing challenge for most of the municipalities around the globe, and particularly for those developing economies, like Ethiopia.

Despite the current urban trends in developing countries, in every city there are rays of hope, most visibly in an outpouring of promising new development programs. The initiatives include working with the goal of making cities more socially equitable, economically viable, politically participatory and ecologically sustainable. They have all been evaluated as initiatives or projects that successfully solved an urban problem, without creating or promoting other undesired results.

Thus, the Addis Ababa city government has to design and implement appropriate programs and strategies in order to solve these critical problems and work in collaboration with the society as well as with its development partners.

### **4.3 RECOMMENDATIONS**

In order to mitigate the challenges of urbanization, the city administration along with its development partners is expected to plan and execute effective and holistic development schemes and guide the urban growth towards achieving sustainable socio-economic development. For this, strong political commitment, wide participation of the development actors and transparent policies and regulations are quite indispensable to efficient channeling and mobilization of the available limited resources.

It is also a bare fact that out migration from rural neighborhoods to urban centers, which is characterized by out flow of unskilled people, put immense strains on often impoverished urban administrations, disrupting services, distorting markets and eliminating employment opportunities and complicating provision of services in urban areas. To this end, integrated national and urban-rural linkage policies and interventions are often remedial measures mostly recommended.

Since poverty is worsening in the urban environment, urban development schemes should be run to raise the standard of living of people in towns by improving access to basic infrastructure and social services. Furthermore, the campaign to halt the deterioration of the urban environment should be stepped up to assure sustainable development.

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