ADDIS ABABA UNIVERSITY

ETHIOPIAN INSTITUTE OF ARCHITECTURE, BUILDING CONSTRUCTION AND CITY DEVELOPMENT

DEPARTMENT OF URBAN AND REGIONAL PLANNING

ANALYZING URBAN LAND ACQUISITION FOR HOUSING IN BAHIR DAR CITY, ETHIOPIA

BY

DEREJE TESSEMA ADGEH

NOVEMBER, 2024

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A DISSERTATION SUBMITTED TO THE DEPARTMENT OF URBAN AND REGIONAL PLANNING, ETHIOPIAN INSTITUTE OF ARCHITECTURE, BUILDING CONSTRUCTION, AND CITY DEVELOPMENT, ADDIS ABABA UNIVERSITY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN URBAN AND REGIONAL PLANNING

NOVEMBER 2024

ADDIS ABABA, ETHIOPIA

DECLARATION

I, the undersigned, declare that this is my original work, has never been presented at this or any other university, and that all the resources and materials used for the dissertation have been duly acknowledged.

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DISSERTATION APPROVAL

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This is to certify that the dissertation prepared by Dereje Tessema Adgeh, entitled " **Analyzing Urban Land Acquisition for Housing in Bahir Dar City, Ethiopia** " and submitted in fulfillment of the requirements for the Degree of Doctor of Philosophy in Urban and Regional Planning complies with the regulations of the University and meets the accepted standards concerning originality and quality.

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ABSTRACT

This dissertation examines urban land acquisition for housing in Bahir Dar City, Ethiopia, focusing on its processes, challenges, and policy implications. The study investigates urbanization trends, land expropriation, formal cooperative housing schemes, informal land acquisition practices, and administrative and policy barriers affecting urban land supply. A mixed methods approach was employed, incorporating key informant interviews, focus group discussions, field observations, and Geographic Information System (GIS) analysis to track peri-urban land conversion from 2011 to 2021. Findings reveal that rapid urban expansion, driven by a 7% annual population growth rate, has resulted in an 8% conversion of peri-urban land, often displacing farmers with inadequate compensation and disrupting livelihoods. While cooperative housing schemes have allocated over 35,000 certified land plots to low- and middle-income residents, only 7,000 members have completed construction due to high costs, administrative inefficiencies, and prolonged land servicing. Meanwhile, informal land transactions have flourished due to inefficiencies in formal land allocation and inadequate compensation for expropriated farmers, with brokers and local administrators facilitating these transactions. To address these challenges, the study recommends policy reforms aimed at improving formal land supply mechanisms, streamlining cooperative housing processes, strengthening land registration and banking systems, and enhancing institutional coordination. Additionally, alternative funding mechanisms, such as an urban land development fund, are proposed to support affordable housing initiatives. Overall, the research underscores the urgent need for comprehensive policy interventions to promote sustainable urban development and equitable access to housing in Bahir Dar City.

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LIST OF ACRONYMS ANDABBREVIATIONS

AA	Addis Ababa
ANRS	Amhara National Regional State
BDCSPO	Bahir Dar City Regio politan City Structure Plan
BDR	Bahir Dar
CSA	Central Statistical Authority
EPRDF	Ethiopian People's Revolutionary Democratic Front
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussions
GIS	Geographic Information System
Ha	Hectare
IHDP	Integrated Housing Development Program
KII	Key Informant Interview
KM	Kilometer
UNHCHR	United Nations High Commissioner for Human Rights
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNECA	United Nations Economic Commission for Africa
UN-Habitat	United Nations Human Settlements Programme
WB	World Bank

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CHAPTER ONE

INTRODUCTION

1.1. Introduction

> *"….. Having a home, in one way or another, is a fundamental human right and a basic need. However, in today's rapidly urbanizing world, meeting housing demands in urban areas has become increasingly challenging due to limited urban land supply, making the availability of land crucial for sustainable housing development…" (*OHCHR, 1997).

This dissertation, titled " Analyzing Urban Land Acquisition for Housing in Bahir Dar City, Ethiopia," is written in a monograph-based modality and examines the complex issues surrounding urban land acquisition for housing in Bahir Dar, a rapidly urbanizing city facing increasing demand for land due to population growth. The study explores both formal and informal land acquisition processes, including expropriation and cooperative housing schemes, while analyzing the administrative and policy barriers that hinder land supply for housing. By investigating these aspects, the research aims to provide insights into the challenges of urban land access and offer policy recommendations to improve land availability and housing development in Bahir Dar and other urban areas having similar context in Ethiopia, like Hawassa, Adama. This chapter introduces the background, statement of the problem, objectives, research questions, significance, scope, and organization of the document.

1.2. Background of the Study

Land is an ultimate resource that incorporates all natural resources on the Earth's surface and is essential for life. Effective land management, which involves utilizing, conserving, and protecting these resources sustainably, ensures that sustainable development is met (Fruet, 2005). As a primary source of wealth, social status, and power, land serves as the foundation for shelter, food, and economic activities (Ayambire et al., 2019; Mohamed & Worku, 2020). Its effective utilization and management play a critical role in driving social and economic development, making the land an indispensable resource for progress and

human well-being (Mohamed & Worku, 2020). Urban land, found within the administrative boundaries of urban areas or towns, is characterized by dense populations, mixed land uses, and extensive infrastructure, such as roads, utilities, and public transportation (Ono & Kidokoro, 2021). Due to its high demand and limited availability, urban land tends to be more expensive than rural land. Countries adopt different land tenure systems to achieve sustainable development.

To sustain social life, gain control over nature, and improve living conditions by addressing human-made challenges, one of the most effective strategies man has developed is urban settlement. According to the United Nations Economic Commission for Africa (UNECA), due to the Industrial Revolution and other structural changes that blew up in Europe, the human need to use urban areas as the main centre of settlement has grown significantly (UNECA, 2017). As an example, only 3% of the world's population lived in urban areas in 1800, rising to 13% in 1900 and 29% in 1950. By 2005, this figure had reached 49%. Currently, 55% of the global population resides in urban areas, and according to World Bank research, this proportion is projected to rise to 70% by 2050 (UN-Habitat, 2020).

Ethiopia, while still exhibiting a lower level of urbanization than many other developing countries, is experiencing a rapid urban growth rate. Currently, 22% of Ethiopia's population lives in urban areas, below the averages of other developing countries (40%) and sub-Saharan Africa (38%) (Koroso et al., 2021). However, Ethiopia is recognized as one of the world's fastest-growing urban regions, with an urban population growth rate of 5.4% annually (Adigeh & Abebe, 2023; Koroso et al., 2021; Ozlu et al., 2015). This acceleration is driven by rural-to-urban migration, increased natural birth rates in urban areas, and the establishment of new urban areas (Adam, 2019; Kabiso et al., 2022). Consequently, Ethiopia's urbanization rate is expected to reach levels comparable to those of other countries within a shorter period. Projections indicate that the urban population may double within the next 10 to 15 years (Ozlu et al., 2015).

As in many developing nations, Ethiopia's rapid urbanization and population growth have led to a severe housing shortage and high demand for serviced land (Larsen et al., 2019b; Fitawok et al., 2020; Teklemariam & Cochrane, 2021). World Bank forecasts suggest that

between 2012 and 2032, Ethiopia's urban population will grow substantially. With an annual growth rate of 5.4%, the urbanization level is expected to rise from 17.4% in 2012 to 30% by 2030, nearly tripling the urban population from 16 million to over 42 million people (CSA, 2013a; UNDESA, 2015; Ozlu et al., 2015; 2019).

In this rapid urbanization scenario, in history, Ethiopia's urban land supply for housing has undergone significant changes across different regimes. The land tenure system of Ethiopia has been changing across the change of the political regime since the second half of the 19th century. The land was privately owned by private holders and the access was restricted to the nobilities, clergy and military men during the imperial regime, while all urban and rural land including extra urban houses were nationalized and owned by the state during the Derg regime of Ethiopia. With the continual of the Derg regime, rural and urban land has become owned by the state, but the land administration become leasehold for urban land, and perpetual to the rural land. The common feature of urbanization in the regimes is again different; very insignificant during the imperial regime, little improved during the Derg regime, but extremely high rate of urban growth at present, leading to the high demand of urban land associated with so slow supply of it, which is responsible for the acute housing shortage in urban areas of the country including the case study area, Bahir Dar City. Generally, there are three dominant land tenure system regimes: private, public, and communal. Ethiopia has experienced these systems under different regimes: a private landholding system during the imperial era and a public landholding system during the Derg and EPRDF regimes (Gebremichael 2017).

Under the current Ethiopian government, all land and natural resources are publicly owned, as stipulated by the constitution, which strictly prohibits the sale and purchase of land. Private citizens have a land-holding right rather than ownership. In urban areas, land is held under a lease system, with municipalities managing land within their administrative boundaries. The leasehold system was introduced in 1993, followed by two significant updates, in 2002 and 2011, the latter of which governs the current lease system. Under this system, urban land is administered solely by the government, which is the exclusive supplier of serviced land for urban development, including housing.

Municipalities allocate land to individuals or entities via two primary modalities: tender and allotment. In the allotment process, land is provided at a benchmark price calculated to cover the costs of land servicing, compensation for expropriated landholders, and eviction expenses. Through the tender process, potential leaseholders bid starting from this benchmark price. According to the lease proclamation, land should only be supplied once it has been serviced; however, in practice, the demand for urban land for housing has rapidly outpaced the supply, creating a significant gap between demand and availability.

To cope with the demand for the land of the booming urban population, Ethiopia prepared a housing program of Integrated Housing Development Program (IHDP) in 2012, intending to integrate stakeholders in housing development programs, where the government, private real estate developers and self-help housing cooperatives (Debele and Negussie, 2021; Sunikka Blank et al., 2021). The government was confined to providing condominium housing development in Addis Ababa only. Regional urban areas are more inclined in investing on self-help cooperative housing while the government is helping by providing land at the lease bench mark price (FDRE, 2011).

In Bahir Dar City, the capital of the Amhara region, the shortage of affordable housing is particularly acute (Abdie, 2012; Adam, 2014c, 2014a; Admasu et al., 2019; Indris, 2022; Yimam et al., 2022). This situation is worsened by the migration of the Amhara communities from different parts of the country due to ethnic-based conflicts. Hence, the urbanization rate is alarming, which is supposed to be 5.4% (BDCSPO, 2022). When new arrivals are added to the existing backlogs who wait for serviced land for housing in the city, the housing value even for a rental is so high that the majority of low and middle-income groups cannot afford it, and they are forced to live in slum areas and informal settlements at the edge of the city within a non-serviced situation.

Due to shortcomings in the formal urban land supply system, informal land markets have emerged as a widespread response, leading to significant portions of Ethiopian urban areas being developed informally (Beyers, 2017). Studies indicate that peri-urban landholders are the primary source of land for the informal market, supplying land for residential development. A major driving factor behind this informal supply is the landholders'

concern over receiving low compensation if their land is formally expropriated by the government (Monkkonen, 2013). In urban areas like Bahir Dar City, for instance, land sold informally can reach prices 10 12 times higher than the compensation provided by municipal authorities, making the informal market an appealing option for landholders and developers alike.

Bahir Dar City, which is located in the northwestern part of the country, on the southern shore of Lake Tana, the largest lake in Ethiopia, is a rapidly growing city. Based on the population and housing censuses conducted in Ethiopia in 1984, 1994, and 2007, the population of Bahir Dar City has experienced a significant increase. In 1984, the population was approximately 54,766 (CSA, 1984), which grew to 96,140 in 1994 (CSA, 1994) and 180,174 in 2007 (CSA, 1994), tripling in just two decades. Although no further census data has been collected since 2007, population projections have been made for the years 2012 and 2037 (CSA, 2013; CSA, 2013b). These projections indicate that the population of Bahir Dar City is expected to continue to grow fast, with an estimated population of 313,997 in 2017 and 455,901 in 2022.

To address the growing demand for housing in Bahir Dar City, the city launched several programs aimed at meeting residential needs through various housing development initiatives. By 2015, the goal was to match the housing supply with the number of households, utilizing a combination of government-led projects, private investment, individual homebuilders, and cooperative housing through the Integrated Housing Development Program (IHDP). However, challenges in land acquisition have severely hindered this ambition, and the housing shortage has continued to escalate.

Under the cooperative housing program, approximately 30,000 plots were allocated to cooperative members at benchmark lease prices. However, many plots remain undeveloped due to unaffordable building standards. Consequently, a significant number of land seekers in Bahir Dar City have turned to informal land transactions in peri-urban areas, purchasing land directly from peri-urban farmers. This informal option is attractive primarily because it avoids the costly building standards mandated in formal developments, making it a more affordable alternative for low and middle-income residents.

This dissertation aims to assess the urban land acquisition landscape, identifying both challenges and prospects for housing development in Bahir Dar City. The study focuses on evaluating the current modalities of urban land acquisition and housing development, considering both formal and informal land supply channels. Additionally, it examines the policy, administrative, and institutional factors that influence access to urban land in Bahir Dar City.

1.3. Statement of the Problem

With Bahir Dar City experiencing rapid urbanization at an annual rate of 5.4%, the demand for urban land for housing is escalating, while the supply remains stagnant, struggling to keep pace with growing needs (BDCSPO, 2022). This supply-demand imbalance has led to an increasing reliance on the expropriation of peri-urban agricultural land for urban expansion. Under current practices, landholders are compensated based on the average 15-year crop value, calculated at present crop market rates (FDRE, 2019). However, these compensation amounts fall substantially short of the perceived value by landholders, creating widespread dissatisfaction among farmers who view the payment as insufficient for their lifelong right to their land (Gemeda et al., 2023; Kosa et al., 2017). Financial constraints further burden municipalities, limiting their capacity to meet compensation and land servicing costs adequately. Consequently, many farmers turn to informal transactions, where land prices are often ten times higher than the official compensation, exacerbating the spread of unregulated settlements (Derso & Gebremichael, 2023; Yimam et al., 2022).

Despite the urgency of these challenges, limited research explores the interconnections between the city's land acquisition practices, compensation mechanisms, cooperative housing schemes, and the impacts of informal land markets. Without addressing these issues, Bahir Dar City faces continuing strain on land resources, the risk of uncontrolled urban sprawl, and persistent barriers to equitable housing access.

Some studies examined urban land management and access issues in Sub-Saharan Africa (Agheyisi, 2018; Ayambire et al., 2019; Coulibaly & Li, 2020; Deininger et al., 2017; Nuhu, 2019; Onyebueke et al., 2020; Wolff et al., 2021). However, these studies provide only partial insights and lack a comprehensive analysis of peri-urban land acquisition by

expropriation for housing and its impact on displaced farming households. For example, Ayambire et al. (2019), explored urban and peri-urban agriculture in Ghanaian urban areas, focusing on strategies to sustain agriculture amidst urban expansion. Similarly, Coulibaly & Li (2020) studied the impact of agricultural land loss on rural livelihoods in Sebougou, Mali, examining urbanization's effects on peri-urban communities. Nonetheless, this research does not fully address the urban land demand for housing or the specific process of expropriating peri-urban land for residential development.

Moreover, local studies have been conducted in Ethiopia. Koroso et al., (2021) examined urban land use efficiency (ULUE) in sixteen Ethiopian cities, including Bahir Dar, using remote sensing data. Their study found inefficiencies in urban land use, where land consumption outpaced population growth, and densification remained slow. A significant portion of converted agricultural land remained idle, contributing to urban sprawl, fragmentation, and informal settlements. The study highlights the need for improved urban policies to enhance ULUE and achieve sustainable development. Similarly, Dires et al. (2021) observed the rapid reduction of peri-urban agricultural land due to horizontal urban expansion and development projects, often occurring through expropriation.

Informal settlements and peri-urban land issues have also been a focus of research. Baye et al., (2020, 2023) identified key economic and demographic drivers of informal settlements in peri-urban Woldia, Ethiopia, including income disparity, rising lease prices, inadequate compensation for expropriated land, population growth, inefficient land provision, and lack of affordable housing. Adam also studied informal settlements in peri-urban Bahir Dar, emphasizing similar challenges.

Expropriation and compensation remain critical concerns. Dires et al. (2021) analyzed the impacts of expropriation and compensation on peri-urban smallholders in Debre Markos Town, revealing a trend of expropriation without fair compensation due to overlooked legal procedures. Many expropriated farmers lacked adequate support to invest their compensation money, leading to food insecurity and social disintegration. Gemeda et al. (2023) examined the factors influencing the willingness of displaced households in Sabata Town to transition to new jobs following expropriation for industrial development.

Institutional capacity and land administration challenges further complicate urban land delivery. Emiru et al. (2023) investigated urban land administration for housing development in Bahir Dar, revealing issues such as poor institutional coordination, lack of functional clarity, and ineffective monitoring systems. These institutional weaknesses hinder the provision of residential land and efficient urban development.

Housing policy and affordability remain pressing issues. Tadashi & Jonathan (2015) assessed Ethiopia's national housing policy, finding that despite public land ownership, urban land-use planning and control remain ineffective. While the condominium housing program has helped address urban housing demand, challenges persist. Nuriye (2019) highlighted the severity of housing affordability problems, especially for low-income earners, attributing them to poor planning and rapid urbanization.

Property rights and investment have also been explored. Hailu & Rooks (2016) studied whether granting formal land and building rights encourages investment among low-income urban households. Their findings showed that beneficiaries of formal property rights were more likely to invest in new structures and housing maintenance than those without such rights.

Despite these studies, several research gaps remain. First, while some studies discuss informal settlements and peri-urban land issues, there is a need for a deeper investigation into specific informal land acquisition practices in Bahir Dar. Second, although cooperative housing has been mentioned, research on its viability as a formal means of urban land acquisition remains limited, particularly in Bahir Dar. Third, while challenges related to land administration, compensation, and institutional capacity have been noted, a focused study on the specific barriers to urban land acquisition for housing development in Bahir Dar is lacking. Fourth, there is a gap in comparative analyses of formal versus informal land acquisition processes, their outcomes, and their impacts. Finally, incorporating the perspectives of various stakeholders, such as local communities, government officials, developers, and cooperative housing societies, would provide a more holistic understanding of the issues.

1.4. Research Questions

This study intended to answer the following four research questions:

i. What is the current scenario of urbanization and urban land acquisition for housing by expropriation in Bahir Dar City?
ii. How effective is the practice of formal land acquisition for cooperative housing in Bahir Dar City?
iii. What are the drivers and processes of informal land acquisition for housing in Bahir Dar City?
iv. What administrative and policy barriers limit urban land supply and housing development in Bahir Dar City?

1.5. Objectives of the Study

1.5.1. General Objective

The general objective of the study is about to analyze the urban land acquisition for housing in Bahir Dar City, Ethiopia.

1.5.2. Specific Objectives

Specifically, the study addressed the following objectives:

i. To investigate how housing land acquisition through expropriation influence the livelihoods of peri-urban agrarian communities;
ii. To examine the practice of formal land acquisition for cooperative housing;
iii. To assess the practice informal land acquisition for housing;
iv. To identify administrative and policy drivers affecting urban land supply for housing in Bahir Dar City.

1.6. Scope of the study

The scope of this study is delimited to analyzing urban land acquisition processes for housing in Bahir Dar City, Ethiopia, with a focus on formal, cooperative, and informal mechanisms. Moreover, the study thematically included the policy, administrative, and institutional issues impacting these processes, as well as the challenges they present for urban land access and housing development. Specifically, it examines peri-urban land acquisition through expropriation, assessing its effects on housing access, compensation, and the socio-economic impacts on displaced landholders. The cooperative housing framework is evaluated to assess its effectiveness in providing affordable land for low and middle-income groups. Informal land acquisition practices are also analyzed, including the drivers, processes, and demand dynamics shaping informal settlements and transactions.

This study is spatially limited to Bahir Dar City, focusing exclusively on urban land acquisition for housing and excluding other sectors. Urban land acquisition for housing is a pressing issue in Ethiopia, and, given budgetary constraints, Bahir Dar City was selected as the case study due to its current challenges in this area. The findings are expected to be relevant not only for Bahir Dar City but also for other Ethiopian urban areas experiencing similar patterns of urbanization, housing demand, and land acquisition challenges. By identifying local administrative and policy barriers to urban land supply, this study aimed to offer actionable recommendations for Bahir Dar City that could also inform practices in comparable urban settings across the country.

The study's temporal scope covers 2022 to 2024, from data collection to dissertation completion. Data collection in 2022 provided the empirical foundation for the research, followed by data analysis, interpretation, and dissertation writing in 2023 and 2024. The final stages, including dissertation preparation and publication, extend until the end of 2024, ensuring a thorough examination of the findings.

1.7. Significance of the Study

This study, conducted in Bahir Dar City, is intended to examine the practices of urban land acquisition for housing development, with specific emphasis on the objectives of

understanding peri-urban expropriation, cooperative housing frameworks, informal land acquisition, and the administrative and policy barriers to urban land supply.

The findings will be particularly significant for municipal administrators, especially within the Bahir Dar City administration. By uncovering the impacts of peri-urban expropriation on housing access, compensation adequacy, and the socio-economic effects on displaced landholders, the study provides a benchmark for identifying key gaps and developing targeted interventions to enhance the efficiency and fairness of land acquisition processes.

For urban planners and policymakers, the study will shed light on the effectiveness of the cooperative housing framework, informing strategies to better support affordable housing for low and middle-income groups. Additionally, insights into the drivers and dynamics of informal land acquisition and settlement will help policymakers understand and address the growing informal market, while recommendations on overcoming administrative and policy obstacles will support better land supply practices.

Finally, this study will enrich the literature on urban land acquisition, serving as a valuable resource for researchers conducting related studies in Bahir Dar City and other Ethiopian urban areas facing similar urbanization, housing demand, and land acquisition challenges.

1.8. Limitations of the Study

The study faced several limitations, particularly concerning data availability and reliability in the study area. First, a significant limitation was the scarcity of well documented data on urban land acquisition and housing development specific to Bahir Dar City. This gap in reliable records required the researcher to extend the research timeline, engaging multiple institutions, including municipal and regional offices for urban land management, housing development administration, and relevant development offices, to gather as comprehensive a dataset as possible. The researcher patiently waited and refer other bodies and get the necessary data for the study.

Additionally, some key informants (KIIs) were reluctant to share their experiences and perspectives openly. This lack of willingness necessitated a snowball sampling approach to identify additional informants who could contribute relevant insights. Another challenge

was that some informants intentionally provided unreliable information, possibly to obscure certain facts. To mitigate this limitation, the researcher implemented a cross checking strategy by verifying information with multiple sources, enhancing the reliability of the data used in this study.

Despite these efforts, the limitations regarding data access and reliability may have impacted the study's depth. However, careful verification and extended engagement with institutions aimed to uphold the credibility of the findings.

1.9. Structure of the Document

This dissertation, entitled "Urban Land Acquisition for Housing: Scenarios, Challenges, and Policy Perspectives in Bahir Dar City, Ethiopia," is organized into five chapters, each structured to address the study's objectives.

Chapter one provides a comprehensive background and the context of urban land acquisition issues. It includes the statement of the problem, rationale for the study, specific research objectives and questions, scope, and significance. The chapter establishes the study's relevance, particularly in relation to the effects of peri-urban land acquisition on housing access, cooperative housing efforts, informal settlement growth, and policy barriers in Bahir Dar City.

Chapter two presents a detailed literature review, comprising conceptual, theoretical, and empirical reviews relevant to urban land acquisition and housing. This chapter also includes the conceptual framework, which illustrates the study's key variables and their interactions, and identifies the research gap that this study addresses within the urban housing and land policy context in Bahir Dar City.

Chapter three explains the research methodology, starting with a description of the study area. It outlines the research design, including philosophical and methodological approaches, followed by the sampling design, data types and sources, and data collection and analysis methods. This chapter also discusses the methods of data presentation and addresses the validity and reliability of the research process.

Chapter four presents the results and provides a comprehensive discussion, focusing on the study's core findings regarding peri-urban land expropriation, cooperative housing frameworks, informal land acquisition, and policy challenges in urban land supply for housing. The discussion links findings to the existing literature, critically analyzing the results within the study's conceptual framework.

Chapter five concludes the study by summarizing the key findings, offering recommendations for addressing the administrative and policy challenges in urban land acquisition for housing, and proposing areas for future research. This chapter aims to contribute actionable insights for policymakers to improve housing access and urban land management in Bahir Dar City.

This structure is designed to systematically address the complex dimensions of urban land acquisition for housing in Bahir Dar City, providing a foundation for understanding the challenges and developing targeted policy solutions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a comprehensive review of related literature, structured to support and contextualize the study. It begins with an Operational Definition of Terms, clarifying key terminology used throughout the research. Following this, the Theoretical Literature Review explores foundational theories relevant to urban land acquisition and housing, laying a conceptual groundwork for the study. The Empirical Literature Review then examines previous research findings on similar topics, highlighting patterns, insights, and trends related to urban land acquisition and housing development. Additionally, the Policy and Land Tenure Review discusses relevant policy frameworks and land tenure systems, examining their influence on urban land management practices. The chapter concludes with the Conceptual Framework, and the Research Gap, identifying areas where further investigation is needed to address existing knowledge limitations in the field.

2.2 Conceptual and Theoretical Literature Review

2.2.1 Operational Definition of Key Terms

Some concepts and terms are used consistently throughout this dissertation, and defining their operational context is essential for increasing readers' understanding of the study's findings. These definitions aim to provide clarity and ensure consistency in discussions related to urban land acquisition and housing development. They include:

Urbanization: Refers to the increase in both population size and spatial extent of urban areas. It is measured by growth in population and expansion of physical boundaries, reflecting the transition from rural to urban living (UN Habitat, 2016).

Urban Land: Defined by Proclamation No. 721/2011 Ethiopia, urban land encompasses areas within the administrative boundaries of urban areas. This study adopts this definition, distinguishing between the administrative and planning boundaries of urban areas (FDRE, 2011).

Peri-urban: The area lying between the administrative and planning boundaries of an urban area, typically used for agriculture under farmers' land holding rights. Peri-urban land is converted to urban land, with compensation provided to the affected landholders (Adam, 2014b; FDRE, 2011).

Urban Land Acquisition (Formal and Informal): Land acquisition refers to the process of acquiring land for various purposes, such as public infrastructure, urban development, and housing. In the context of housing, land acquisition involves acquiring land for residential housing development. Land acquisition can be either formal or informal. Formal land acquisition refers to the legal process of acquiring land through government agencies, such as land bureaus. This process usually involves a lease agreement, which grants the right to use the land for a specific period. Informal land acquisition, on the other hand, refers to the process of acquiring land through informal channels, such as informal settlements, which lack legal recognition and protection. In this study, in the Ethiopian context, urban land acquisition refers to the government's role, through municipal authorities, as the primary provider of urban land for various uses. Formal acquisition entails regulated processes by the government, while informal acquisition generally occurs outside official channels, in the informal land market (Nguyen et al., 2017; Zhu et al., 2018).

Housing: Housing refers to a basic human need for shelter and accommodation. It is a fundamental aspect of human welfare and contributes significantly to individual well-being and social stability. Housing can be defined as a physical space, structure, or unit that provides living quarters for individuals or families (Asafo, 2022; Ganapati, 2014).

Affordable and Adequate Housing: Affordable housing implies that urban residents can reasonably cover costs associated with accessing urban land and construction. Adequate housing meets essential standards for safe and livable shelter in urban areas (Zhang et al., 2019).

Expropriation: A method employed by urban authorities to acquire land for public development purposes, given the limited availability of unoccupied land within city

boundaries. Expropriation primarily targets peri-urban land, with compensation provided in advance to the affected landholders (Admasu et al., 2019; Dires et al., 2021; Mohammed, 2018; Swiss Agency for Development and Cooperation, 2017).

Compensation: The payment made by municipal authorities to farmers or landholders who surrender agricultural land for urban development. Sometimes, they might be giving a land-to-land compensation. This is intended to offset the economic impact of losing their land for public purposes compensation (FDRE, 2019).

2.2.2 Theoretical Literature Review

This section of the literature review outlines key theories relevant to understanding and interpreting the findings of this study, offering deeper insights into the context of urban land acquisition for housing development and other purposes. The theories discussed include those related to land expropriation and compensation, land valuation in transactions, bid rent theory, and the indemnity and gainers take theories in urban land acquisition. These theories are examined in relation to their applicability to the study's focus and provide a foundation for analyzing the dynamics of land acquisition in Bahir Dar City.

2.2.2.1 Bid Rent Theory and Its Applicability to Urban Land Acquisition for Housing

The bid rent theory provides a valuable framework for analyzing the processes and implications of peri-urban land acquisition by expropriation for housing development. This theory, which posits that land value is determined by its location, accessibility, and proximity to urban centers and amenities, helps explain why peri-urban areas are increasingly targeted for housing as urban areas expand (Alonso, 2019; Chidi, 2019; Hou et al., 2021; Ng & Lo, 2015). According to the theory, the rent that developers or other interested parties are willing to pay for land is influenced by its potential to yield higher returns based on its location.

In the context of Bahir Dar City's urban expansion, bid rent theory suggests that as urban growth intensifies, the demand for nearby land rises, driving up the potential rent

developers are willing to pay for peri-urban areas. This heightened demand aligns with the study's objective to examine peri-urban land acquisition by expropriation and its effects on housing access, compensation, and the socio-economic impacts on displaced landholders. The theory helps clarify why peri-urban land, often held by farming communities, becomes attractive to developers and municipal planners looking to meet housing needs close to the city center.

Additionally, bid rent theory sheds light on the implications of such acquisitions, particularly the displacement risks facing peri-urban communities. As developers outbid existing landholders to access these valuable parcels, the compensation offered to displaced landholders becomes a focal point of the socio-economic impact, another core objective of this study. Thus, bid rent theory not only supports the study's analysis of the drivers behind peri-urban land acquisition but also its exploration of the resulting socio-economic challenges, providing a conceptual basis for assessing policy and administrative responses.

2.2.2.2 Indemnity and the Gainers Take Theory in Urban Land Acquisition

In the context of urban land acquisition for housing, the indemnity and gainers theories provide valuable frameworks to assess how compensation practices affect displaced communities and align with policy objectives.

The indemnity theory posits that compensation should fully restore expropriated landholders to their original status before the expropriation (Adam, 2014d; Makupa & Sanga Alananga, 2020). This theory emphasizes three key components: first, market value compensation, which ensures that displaced individuals receive fair compensation based on the current market value of their property. Second, severance and injurious affection entail additional payments for any loss of access to remaining property or damage to adjacent assets. Finally, solatium is a lump sum payment intended to address non-economic losses, including the emotional impact of losing property. Applying the indemnity theory to the dissertation's objectives allows for an examination of whether the current compensation mechanisms in Bahir Dar City adequately meet the true economic,

social, and emotional costs faced by displaced landholders, particularly those from farming communities.

Conversely, the taker's gain theory emphasizes the benefits that the acquiring entity, usually the government, receives from expropriation. Under this theory, compensation is limited to the market value of the property taken, without accounting for any additional losses or emotional impacts. It also argues that paying more than market value can waste public resources and create inefficiencies, potentially enriching those whose property is taken rather than simply restoring their situation (Adam, 2014d; Makupa & Sanga Alananga, 2020). This approach has important implications for urban land acquisition policies. Communities may resist land acquisition if they feel the compensation is inadequate, especially if non-monetary values, like cultural significance, are overlooked. Therefore, effective land acquisition policies must strike a balance between efficiency; keeping costs low, and equity; ensuring fair treatment for those affected. Policymakers should consider the broader social consequences of their compensation strategies.

In Bahir Dar City, this theory is particularly relevant for analyzing the socio-economic impacts on displaced landholders and exploring fair compensation methods. As peri-urban land is being expropriated to meet housing demands, the gainer's take theory highlights the economic disparity between displaced landholders, who lose valuable agricultural land, and urban developers or future residents who benefit from increased land values. This approach advocates for a compensation framework that includes sharing the benefits of urban development and promoting equity in urban expansion and housing access.

2.2.3 Conceptual Literature Review

The conceptual literature review section provides a comprehensive foundation for understanding the key concepts underlying urban land acquisition for housing development in Bahir Dar City, Ethiopia. It begins with a discussion on urbanization, examining its trends from a global scale down to the local context of Bahir Dar City to understand the pressures driving urban expansion and housing demand. This is followed by an exploration of historical strategies for urban land acquisition in housing

development, tracing the evolution of approaches and their impact on urban planning and housing provision.

Next, the review addresses land tenure systems, analyzing how different tenure structures influence housing accessibility and security, particularly in urban settings. The distinction between formal and informal housing scenarios is also explored to shed light on how both frameworks shape urban land acquisition and housing availability, impacting social and economic dynamics within urban areas. Finally, the role of cooperative housing development as a strategy for affordable housing provision is discussed, emphasizing its potential to offer sustainable solutions for low- and middle-income urban residents. Together, these topics establish a conceptual backdrop that informs the study's focus on urban land acquisition and housing challenges in Bahir Dar City.

2.2.3.1 Urbanization: its Global to local perspective

In recent decades, there has been an acceleration in the pace of urbanization globally. According to reports by the United Nations Department of Economic and Social Affairs (UNDESA, 2015; UNEP and UN-Habitat, 2016), by the year 2050, the world's population will reach around 9 billion. As of 2015, urban regions were home to 54%, or 4 billion, of the world's total population. It is anticipated that the urban population will keep growing, and by the year 2050, the global population will be roughly the reverse ratio of the global rural-urban population distribution during the middle of the twentieth century, with one-third of the world's population living in rural areas (34%) and two-thirds of the people living in urban areas (66%) (Arjjumend & Seid, 2018). As the urban population increases, the land area occupied by urban areas has increased even more. A global sample of 120 urban areas observed between 1990 and 2000 shows that while the population grew at a rate of 17 per cent on average, the built-up areas grew by 28 per cent (UN-Habitat, 2016). It has been projected that by 2030, the urban population of developing countries will double while the area covered by urban areas would triple (UN-Habitat, 2016).

Most Africans are likely to eventually make their homes in various urban areas throughout the continent. By the middle of the 2030s, 50% of Africans will live in urban areas

(Arjjumend & Seid, 2018; Heinrigs, 2020). The number of people living in Africa's urban areas almost doubled over the last 20 years, rising from 237 million in 1995 to 472 million in 2015; between the years 2015 and 2035, the urban population is projected to roughly triple (Mohamed & Worku, 2020; Tegeñu, 2010). Similarly, it is anticipated that the overall population of sub-Saharan Africa will expand faster than any other area in the next decades, doubling from 823 million in 2010 to 1.9 billion in 2050 (Arjjumend & Seid, 2018; Sengupta et al., 2018).

Though one of the lowest levels urbanized in the world, Ethiopia has one of the fastest-growing urban populations even when compared to the Sub-Saharan standard (Onur et al., 2015). The World Bank predicts that between 2012 and 2032, the population of Ethiopia's urban areas will rise from 17.4% to 30% urban, with a 5.4% annual growth rate, and nearly triple, from 16 million to more than 42 million people between the stated time frame (CSA, 2013a; Onur et al., 2015; UNDESA, 2015). The territorial expansion of large and medium towns from year to year is not negligible in Ethiopia. In Ethiopia's horizontally expanding urbanization process, peri-urbanization, demand, and supply for urban land are important considerations. With a fast-expanding population and rising urbanization rates, the demand for urban land for housing is rising quickly, particularly in peri-urban regions (Adam, 2015; Bhatta, 2010). There is a significant lack of affordable housing and an increase in informal settlements in peri-urban regions as a consequence of the extremely high demand and poor supply of urban land for housing (Lombard, 2016; Muhabaw & Gashu, 2019). Inadequately addressing the strong demand for urban property has also resulted in unlawful land transactions and the growth of informal communities.

The study area, Bahir Dar City, is located in the northwestern part of the country, on the southern shore of Lake Tana, the largest lake in Ethiopia, is a rapidly growing city. Based on the population and housing censuses conducted in Ethiopia in 1984, 1994, and 2007, the population of Bahir Dar City has experienced a significant increase. In 1984, the population was approximately 54,766 (CSA, 1984), which grew to 96,140 in 1994 (CSA, 1994) and 180,174 in 2007 (CSA, 1994), tripling in just two decades. Although no further census data has been collected since 2007, population projections have been made for the

years 2012 and 2037 (Central Statistical Agency (CSA), 2013; CSA, 2013b). These projections indicate that the population of Bahir Dar City is expected to continue to grow fast, with an estimated population of 313,997 in 2017 and 455,901 in 2022.

This rapid growth of Bahir Dar City has led to increasing demand for housing, which has resulted in the practice of peri-urban land acquisition for housing and other land use purposes (Adam, 2014b; Bennett & Alemie, 2016; Derso, 2020; Fitawok et al., 2020). However, this practice has raised concerns about its implications, including the displacement of local communities and the proliferation of informal settlements (Gebeyehu, 2016).

2.2.3.2 Strategies for Urban Land Acquisition in Housing Development: A Historical Perspective

The urban housing crisis continues to be a significant issue, yet the historical approaches to addressing housing challenges for low-income urban residents have evolved considerably over time, adopting various modes of housing provision. Anna Kajumulo (2013) identifies four distinct periods in the evolution of low-income housing strategies in urban areas.

The first period, which spans from the 1950s to the 1960s, was marked by a modernization and urban growth approach. During this phase, public agencies primarily focused on shelter production, implementing strategies such as slum clearance and direct housing construction. Despite these efforts, the housing demand in many developing countries remained largely unmet, leading to a transitional phase.

This transition gave rise to the second period, which took place during the 1970s and 1980s and is characterized as a growth and distribution phase. The focus shifted towards self-help housing initiatives, emphasizing the importance of upgrading existing housing conditions rather than demolishing them. This period prioritized the provision of serviced land, allowing communities to take an active role in developing their housing solutions. This shift recognized the limitations of previous approaches and the necessity of engaging low-income residents in the housing process.

The third period, spanning from the late 1980s to the mid-1990s, is referred to as the enabling approach phase. This era emphasized empowering self-builders by enhancing access to housing mortgage finance and facilitating market dynamics. A key feature of this phase was the promotion of public private partnerships to foster housing development, recognizing the vital role that collaboration between different sectors could play in addressing housing needs.

The fourth and current period began in the mid-1990s and is characterized as a sustainable development phase. In this context, housing is viewed as a critical tool for poverty alleviation, highlighting the necessity of addressing housing challenges within the broader framework of sustainable development. This phase underscores the importance of equity and sustainability in housing policies, aiming to ensure that all urban residents have access to adequate housing.

Except for the initial phase, which primarily focused on public led housing initiatives, the subsequent three phases have increasingly emphasized self-help housing strategies. These strategies are viewed as essential for tackling the housing challenges faced by urban residents, empowering communities to take charge of their housing needs while also fostering sustainable development practices.

2.2.3.3 Land Tenure Systems and their Implication for Urban Housing

Land tenure refers to the institutional arrangements of rules, principles, procedures, and practices that govern the use and ownership of land, encompassing the perceived rights individuals or groups have to hold land. It defines the relationships among people regarding land, whether as individuals or collectives. In essence, land tenure consists of a framework that dictates access to and control over land and its resources. This control signifies the authority an individual or group has over a specific piece of land and the benefits derived from it, shaping how land is utilized and managed within a community or society. Land tenure indeed constitutes a complex web of intersecting interests, which include overriding, overlapping, complementary, and competing interests.

a) **Overriding Interests:** These arise when a sovereign power exercises its authority to expropriate and allocate land. For instance, in a public land tenure system, the government might seize private landholdings for public purposes, such as constructing highways or public buildings.

b) **Overlapping Interests:** This occurs when multiple parties are assigned different rights to the same parcel of land. An example would be a situation where one person owns a house and another party holds the right to lay underground utilities or overhead electrical lines on adjacent properties. This complexity can lead to intricate negotiations and potential conflicts.

c) **Complementary Interests:** These emerge when different groups share similar interests in utilizing a portion of land. For example, members of a community might jointly own grazing land, sharing common rights to use it for pastoral activities.

d) **Competing Interests:** Typically, these give rise to disputes. When different parties contend for exclusive use of the same land, conflicts inevitably arise. For instance, two separate entities claiming independent rights to the same agricultural plot can lead to contentious situations. Understanding these intersections is crucial for managing land effectively, resolving disputes, and ensuring that everyone involved has clear and respected rights to the land they occupy or seek to use.

2.2.3.4 Formal Versus Informal Urban Housing Scenarios

Urban land is accessed for both formal and informal housing developments, highlighting the diverse approaches to housing in urban settings. To grasp the context of this dissertation, it is essential to understand the dynamics and complexities involved in urban land acquisition for these two types of housing developments.

Formal housing in urban settings refers to legally constructed dwellings that adhere to government regulations and planning guidelines. These housing units are typically developed by government entities or private developers and are characterized by several key features. Firstly, formal housing is built using high-quality materials such as concrete,

metal, or hardwood, ensuring durability and safety against environmental elements like heavy rain and fire. Residents of formal housing have legal rights to occupy the land, which provides them with security and the ability to sell or lease their properties. Additionally, formal housing developments are usually equipped with essential services, including access to clean water, electricity, and sanitation facilities, significantly improving the quality of life for residents. These developments are strategically located on desirable land, away from pollution and heavy industries, often near amenities that enhance accessibility and community living. Overall, formal housing plays a crucial role in providing stable and adequate living conditions within urban environments.

Informal housing, contrary to formal one, refers to residential areas where inhabitants lack legal claims to the land, and the construction does not comply with government regulations or planning. These settlements, often termed informal settlements, slums, or shantytowns, typically arise spontaneously in urban areas experiencing rapid population growth. Key characteristics of informal housing include poor construction quality, with structures often made from makeshift materials like corrugated iron and wood. Residents frequently have limited access to essential services such as clean water, sanitation, electricity, and waste management. High population density is common due to the demand for affordable housing, leading to inadequate infrastructure and public utilities. Informal economic activities thrive in these areas, as residents engage in small-scale trade and services to sustain their livelihoods. Despite the challenging living conditions, informal settlements often foster strong community ties and social networks that help residents navigate their daily struggles. The proliferation of informal housing is largely driven by factors such as urbanization, poverty, rural-urban migration, inadequate urban planning, and displacement caused by natural disasters or conflicts.

Understanding informal land acquisition involves examining the drivers, dynamics, and motivations of various stakeholders involved in the process. Informal land acquisition often arises due to several key factors. Urbanization plays a significant role, as rapid population growth in urban areas frequently outpaces the availability of affordable housing, leading individuals to seek land through informal means. Poverty further

exacerbates this issue, as many people cannot afford formal housing options and are compelled to settle in unauthorized areas. Additionally, rural-urban migration contributes to the formation of informal settlements, as individuals move to urban areas in search of better economic opportunities but find themselves unable to secure formal housing.

The dynamics of informal land acquisition are influenced by inadequate urban planning and regulatory frameworks. Often, local authorities fail to accommodate new residents, resulting in unplanned developments. Furthermore, displacement caused by natural disasters or conflicts can push people into establishing informal settlements. Key stakeholders in this context include local land administrators, speculators, land brokers, and community members who engage in informal transactions. Their interactions are crucial for navigating the complexities of informal land markets, which often operate outside formal regulations.

Motivations for engaging in informal land acquisition vary among stakeholders. For residents, the primary motivation is often the need for shelter and economic opportunity. For speculators and brokers, profit is a driving factor, as they capitalize on the demand for land in urban areas. Understanding these motivations and the relationships among different actors is essential for developing effective policies that address the challenges posed by informal land acquisition while promoting equitable access to housing and land resources.

2.2.3.5 Cooperative Housing Development and Affordable Housing

Cooperative housing is a model where residents collectively own and manage their housing through a cooperative organization, enabling them to share resources, responsibilities, and decision-making. This model promotes a sense of community ownership and offers more affordable and stable housing compared to traditional homeownership or rental options. In urban settings, cooperative housing can play a critical role in addressing housing needs for low and middle-income groups by offering accessible housing with long-term affordability. It emphasizes shared equity and management, which can reduce housing costs, empower residents, and support inclusive urban development.

Theoretical frameworks surrounding cooperative housing often draw on concepts of social capital, collective ownership, and participatory governance. These frameworks argue that cooperative housing can mitigate the financial burden on individuals while fostering community resilience. Studies have shown that cooperative housing is a viable solution to provide affordable housing for lower-income populations, especially in rapidly urbanizing areas. Case studies from various countries illustrate how cooperative models have succeeded in stabilizing communities, reducing displacement, and promoting affordable urban housing. Examples include housing cooperatives in Uruguay, Canada, and India, which have demonstrated success in providing long term affordable housing solutions for economically vulnerable groups.

In Ethiopia, cooperative housing has been promoted as a strategy to support affordable housing, especially as urban populations grow and housing demand rises. Policies on cooperative housing in Ethiopia focus on empowering housing cooperatives and providing government support through land provision, financial assistance, and policy incentives. In Bahir Dar City, cooperative housing initiatives aim to meet the needs of low and middle-income residents by offering access to shared resources, fostering affordable housing options, and reducing individual financial burdens. However, there are challenges, including limited funding, regulatory barriers, and coordination among stakeholders. Analyzing these policies and strategies in Bahir Dar City highlights opportunities to strengthen cooperative housing as a sustainable, affordable option for urban residents.

2.3 Empirical Literature Review

This section presents a systematic review of various studies related to urban land acquisition for housing development across different countries. By analyzing these research findings, the review aims to enhance understanding of the current state of knowledge and identify gaps relevant to the present study. The empirical literature is examined in relation to the dissertation's objectives, focusing on issues such as formal urban land acquisition in rapidly urbanizing areas, the dynamics of both formal and informal land acquisition and their associated housing developments, and cooperative housing practices that can provide valuable insights for this research. Additionally, this

section will address the administrative and policy issues that govern urban land acquisition for housing.

2.3.1 Urban Land Acquisition for Housing by Expropriation

Several studies have been conducted on urban land expropriation for various uses focusing on its effects on housing access, compensation, and socio-economic impacts on displaced landholders.

A study by Ambaye (2015), examines land rights in Ethiopia with a focus on ownership, equity, and liberty in land use rights, tracing historical shifts from feudal control through to current state ownership. Historically, Ethiopia's land was controlled by the elite, with private ownership virtually nonexistent. Following the 1975 revolution, the Derg regime nationalized all land under the slogan "Land to the Tiller" but ultimately retained state ownership, leaving citizens without true ownership rights. Today, under Ethiopia's Constitution, land is controlled by the state and public, with rural peasants and pastoralists guaranteed lifetime "holding" rights, while urban residents can access land primarily through 99-year leases. Ambaye highlights urban land, obtainable mainly through auction, faces further restrictions on transfer and mortgage, effectively reducing its market value. The paper critiques the state's monopoly over land ownership, which has led to inadequate compensation in expropriation cases, often falling below fair market value, thus failing to safeguard displaced individuals economically.

Another study by Gemeda et al. (2023), investigates land acquisition, compensation, and expropriation practices in Sabata Town, Ethiopia, focusing on the impacts of industrial expansion on expropriated households. Using surveys, focus groups, and interviews, the research found that displaced households face significant challenges: job loss, reduced subsistence farming, poverty, lack of decision making power, and environmental degradation. Inadequate property valuation was a major issue, with 82% of respondents dissatisfied with compensation. The study recommends professional property valuation, inclusive decision making, planned expropriation strategies, and fair compensation reflecting local economic conditions. Additional measures include alternative housing, shares in development projects, and community focused safety initiatives to ensure

equitable outcomes for affected households and balance industrial growth with social welfare.

A study entitled *"Take out the Farmer: An Economic Assessment of Land Expropriation for Urban Expansion in Bahir Dar City, Northwest Ethiopia*" by (Admasu et al., 2019), examines the economic effects of land expropriation on rural landholders in Bahir Dar City. As urban expansion displaces around 300 rural holdings each year, Admasu evaluates compensation policies from 2007 to 2017, finding that current compensation only covers 37% of future crop yield values, ignoring inflation and crop residuals. This shortfall fails to meet Ethiopian laws requiring compensation to sustain or improve livelihoods. Admasu suggests a discounted compensation model that adjusts for inflation and crop yield growth, aligning compensation with market values and easing implementation for local governments. The study advocates for policy revisions to support fairer and more sustainable urbanization practices.

Tagliarino's (2017)'s study on the Status of National Legal Frameworks for Valuing Compensation for Expropriated Land, examines whether legal frameworks in 50 countries across Asia, Africa, and Latin America meet international land compensation standards. Using legal indicators, the study finds most countries fall short of these standards, lacking requirements for inclusive compensation calculations, negotiation options, timely payment, and legal recourse. While some countries like Laos, the Philippines, and Tanzania show stronger provisions, widespread gaps still compromise fairness and accountability. The study recommends reforms to align national laws, focusing on comprehensive compensation, negotiation mechanisms, and strong legal recourse, promoting more equitable land acquisition practices.

An other study conducted in Botswana by Lekgori & Paradza (2019) entitled "Compulsory Land Acquisition and Compensation in Botswana: The Case of the Pitsane Tlhareseleele Road Project", analyzes differences in how displaced persons on customary land and government authorities perceive compensation adequacy. The study finds that while government officials view compensation as sufficient under statutory requirements, affected persons consider it unfair, revealing a gap between legal compliance and

perceived fairness. This disparity is attributed to officials' strict focus on legal standards and limited awareness among affected communities regarding expropriation laws. The authors recommend educating communities on legal frameworks, amending statutes for community involvement in valuation, and researching valuation methods that align statutory and customary frameworks in Botswana's dual land tenure system. Further research with multiple case studies and independent valuers is also advised to better assess compensation fairness across contexts.

In conclusion, the literature on urban land acquisition by expropriation for housing and other urban uses reveals significant socio-economic impacts on displaced communities, highlighting recurring issues of inadequate compensation, lack of decision-making power, and diminished land rights. In Ethiopia, historical state ownership of land restricts urban land transferability and market value, leaving displaced individuals economically vulnerable (Ambaye, 2015). Similar challenges arise in Botswana, where compensation meets legal standards but fails to satisfy affected landholders (Lekgori & Paradza, 2019). Cross-country studies, such as Tagliarino's (2017), show widespread gaps in legal frameworks for fair compensation and accountability, while research in Bahir Dar City (Admasu et al., 2019) reveals that current compensation policies inadequately support displaced rural populations. Collectively, the studies recommend reforming expropriation practices to ensure fair compensation, inclusive decision-making, and alignment with international standards, supporting more equitable land acquisition and sustainable urbanization.

2.3.2 Land Acquisition for Cooperative Housing

Literature reviews provide significant insights into the opportunities and challenges of cooperative housing as a model for affordable housing in African contexts, with implications that can inform approaches to cooperative housing land acquisition in Bahir Dar City, Ethiopia. Each literature brings a unique perspective on cooperative housing, its socio-economic impacts, and the role of policy frameworks in supporting or hindering these models.

A study by Oyalowo & Babawale (2017) which is entitled *"Housing Affordability and Government Intervention in Nigeria Africa"*, emphasizes that government intervention in cooperative housing can significantly impact affordability. In Lagos, Nigeria, the study shows how a lack of policy support for cooperative housing impedes housing affordability, whereas government backing in other countries has yielded positive results in stabilizing prices and expanding affordable housing supply. The key lesson is that cooperative housing in Bahir Dar City would benefit from policy frameworks that encourage and regulate cooperative societies, ensuring they can operate with minimal barriers. Supporting cooperatives could address supply inelasticity by enabling more affordable housing options, especially for low and middle-income groups.

A similar study on Cooperative Core Housing Design for Low-income Earners by Felix & Ikekpeazu (2018), highlights the economic benefits of cooperative core housing, showing it as a practical solution for low and middle-income earners in Nigeria. His findings suggest that cost-effective architectural designs and cooperative housing's organizational structure provide accessible home ownership while addressing housing shortages. For Bahir Dar City, this indicates that the cooperative housing model could be adapted to fit the economic context of Ethiopia, with particular attention to design and construction that reduce costs while maintaining livable standards. The lesson here is that optimizing cooperative housing for affordability through design considerations can help create accessible housing that meets the needs of lower-income communities.

Another study which deals with the Evolution of Cooperative Housing in Sweden and Norway (Sørvoll & Bengtsson, 2020), provides a historical and comparative analysis of cooperative housing in Sweden and Norway, emphasizing how market dynamics and member interests shifted cooperative housing from a social welfare model to a market-oriented model over time. This illustrates the potential risks in cooperative housing if it leans too heavily towards market-driven practices. For Bahir Dar City, a lesson is to guard against similar market pressures that could compromise the affordability goals of cooperative housing. Policymakers need to consider frameworks that retain the cooperative

model's social and affordable housing goals, avoiding a shift toward profit-driven practices that can marginalize the target groups meant to benefit from these schemes.

Moreover, the study on Land Expropriation for Cooperative Housing in Ethiopia (Mohammed, 2018), revealed that the Amhara region underscores the challenges associated with land expropriation for cooperative housing, including issues of compensation, livelihoods of displaced peri-urban farmers, and the competing needs of urban and peri-urban populations. This study reveals a significant tension: urban housing demands clash with agricultural livelihoods, often leaving displaced farmers with inadequate compensation and no means of sustaining their former livelihoods. This has led to unauthorized land sales and tenure insecurity, which erodes sustainable urban development. The critical lesson here for Bahir Dar City is that cooperative housing policies need to include fair compensation mechanisms, adequate post-expropriation support, and long-term assistance for displaced farmers. This approach can balance the housing needs of urban residents with the socio-economic welfare of peri-urban farming communities, creating a more equitable urban development strategy.

The literature reviews collectively emphasize that cooperative housing can serve as a viable strategy for enhancing affordable housing options, particularly for low and middle-income groups in urban settings like Bahir Dar City, Ethiopia. However, effective implementation hinges on supportive policy frameworks that reduce bureaucratic hurdles, ensure fair compensation for displaced populations and provide adequate post-relocation support for affected farmers. Additionally, incorporating cost-effective architectural designs tailored to local economic realities is crucial for maximizing affordability without compromising quality. Lessons from the comparative analyses of cooperative housing in various contexts highlight the importance of safeguarding these initiatives from market pressures that could undermine their original social objectives.

2.3.3 Drivers and Processes of Informal Land Acquisition for Housing

Empirical reviews were also conducted on informal land acquisition nd associated housing developments in urban areas.

A study by Ikejiofor (2018), examines the challenges of equitable urban land delivery in Enugu, Nigeria, particularly within informal markets that supply much of the urban land outside state regulation. Despite secure land access being essential for poor urban households, high costs and traditional practices limit equity, especially for disadvantaged women and migrants. The author advocates for government intervention to support low-income land access, suggesting strategies like condominium ownership to reduce costs and phased infrastructure development in underserved areas. Additionally, reducing bureaucratic barriers and aligning land allocations with urban development patterns are vital. The paper stresses the importance of government investment in land availability, gender-inclusive policies, and connecting land delivery with poverty reduction and housing policy, calling for urban land policies that prioritize marginalized groups' needs.

Another study focusing on developing multi-temporal urban land use data to understand the dynamics of urbanization in Dar es Salaam, Tanzania, with an emphasis on informal settlements (Zhang et al., 2019), predicting informal residential land uses proved challenging. The study highlights the importance of using open and consistent datasets to enhance the accuracy and reliability of urban land use estimates, while also recognizing the limitations related to data quality and technological differences in data collection methods. It advocates for future research to refine methodologies, improve land use classifications, and further explore land use changes over time, particularly regarding informal development in the Global South.

In Bahir Dar City, Ethiopia, the government's leasehold system for urban land allocation has been largely ineffective, particularly for poorer residents, as it is unaffordable, bureaucratic, and time-consuming, leading to high transaction costs and escalating land prices that many cannot afford (Adam, 2014a; Derso & Gebremichael, 2023). As a result, urban dwellers have increasingly turned to informal land markets, which offer more accessible alternatives for securing housing. These informal transactions often benefit from corrupt practices that enable the formalization of informally acquired land through registration and valuation. The study suggests that unless the government reforms the land administration system to focus on urban land use and planning rather than strict access

control, informal markets will continue to thrive, necessitating tighter regulation and improvements in the system's capacity and qualifications (Derso, 2020).

The same study by (Adam, 2014a), revealed that informal settlements in Bahir Dar City's peri-urban areas have emerged as a vital response to housing needs among low-income urban dwellers who cannot afford formal housing options. Local farmers supply land for these informal transactions, resulting in unauthorized and substandard housing due to the inefficiencies of the formal land and housing delivery system. This study highlights how social norms and traditional institutions play crucial roles in mediating land conflicts and facilitating informal transactions. To improve urban policy, the government must shift its attitude toward informal settlements, viewing them as consequences of formal system inadequacies, and work to create a housing system that addresses the needs and financial capabilities of the urban poor. Without this, effective urban planning remains elusive.

The above reviewed literatures on informal land acquisition and housing development underscores the persistent challenges of urban land access for low-income populations and highlights informal settlements as both a response to and consequence of formal system limitations. Studies in Enugu, Nigeria, Dar es Salaam, Tanzania, and Bahir Dar City, Ethiopia, reveal that high costs, bureaucratic inefficiencies, and restrictive land policies drive urban residents to seek housing through informal markets. Ikejiofor (2018) and Adam (2014a) demonstrate that poor urban households rely on these informal channels, particularly when formal alternatives are prohibitively expensive or inaccessible. Additionally, Bhanjee & Zhang et al. (2019) show the need for accurate urban land use data to predict and manage informal expansion effectively. These insights align closely with this study’s objective, which aims to understand how informal acquisition and settlement processes emerge as vital, albeit unauthorized, solutions for housing the urban poor. Addressing these drivers requires a shift in policy, where governments actively facilitate affordable land access, reduce bureaucratic hurdles, and consider informal settlements not merely as regulatory violations but as outcomes of unmet housing demands within urban frameworks.

2.3.4 Ethiopian Urban Land Tenure and Access Policy Regimes

Ethiopia has a long and complex history of land tenure systems, with many changes occurring over different regimes. To understand the evolution of Ethiopia's urban land tenure system and its security, it is useful to examine its history under three distinct political regimes; the Imperial regime, the Derg regime, and the FDRE regime.

In the history of urbanization in Ethiopia, before the second half of the 19th century, urbanization was almost nonexistent, except the seemingly political centers settled by the military men, nobilities and families of the clergy who had been settling around palace (Gebremichael, 2017). But, the emergence of Addis Ababa as the political center by King Menilik II in 1874, the societies other than the above listed ones started living. However, other communities were not eligible to access of urban land (Gebremichael, 2017). The first decree in Ethiopia dealing about the private land ownership land tenure system was the 1907 decree of Menilik II had declared those countrymen and foreigners can buy the urban land from the private land owners of members of nobilities, clergy and military who had given the right to own land privately (Gebremichael, 2017). That time, the right to access urban land was given for such community members only. Therefore, during the imperial regime under Emperor Menilik II, the land tenure type was a private time and land access was restricted to the nobilities, clergy and those who were serving as military men. Those country men were either buy or rent the urban land, since they have no access right.

Since there were no state land that individuals claim for housing in urban areas, during that time private land owners were built homes for rental purpose as the countrymen had nothing to buy land, they got urban house by renting. In general, the land tenure type during the imperial regime was a kind of private tenure system by which the family members from the class of the nobility, clergy and military men were given right of access from the state, while other members of citizens were considered as tenants on the lands of private owners (Adam, 2014d; Wubneh, 2018). The system was more consolidated by emperor Haile Selassie I of Ethiopia who even declare the private ownership of urban land and developed property enshrined under the constitutions of 1931 and 1955 of Ethiopia (Gebremichael, 2017). It was the merchants next to the above classes of the ruling family who can afford

to buy urban land and built houses for rental purpose (Gebremichael, 2017). This system of land tenure by few classes of the society soured the urban tenant settlers and abled to become one reason for the downfall of the imperial regime substituted by the Derg regime in 1974.

The Derg regime in Ethiopia is boldly known by its declarations to abolish the imperial political systems including the land tenure system. Immediately after it took power by through the military overthrow of the imperial regime,, over the imperial regime under Emperor Hailesselasse, the first action was converting of the land tenure system from private owner by few community classes to the state ownership of all land, rural and urban, and all extra urban houses (Dereg Proclamation No. 47/1975, 1975). In the rural land tenure perspective, the tenants over the land of the lord were declared for the use/holding right of the land, while urban house rent holders were continued as the holder of rental house by paying the 80 to 85% diminished rental price from the previous price. Moreover, every citizen was eligible to get urban up to 500m2 land for residential housing purpose. Therefore, the land tenure system was framed by the ownership right by the state and holding right by the citizens, and access was not restricted to few special societal groups as of the imperial regime. The problem of the contemporary land tenure system was that the citizens had no right to sell, buy, mortgage their land holding and housing, and inheritance was restricted to people with blood relationships.

The Derg Regime ended up by the FDRE regime in 1991, which continued state ownership of all land tenure system, rural and urban. However, the land administration system for urban land was changed to lease holding system; different lease period for different land uses ranging from 15 years for urban agriculture and 99 years for residential and some special social service purposes (FDRE, 1993; FDRE, 2002; FDRE, 2011).

In the country the first urban land lease holding proclamation was introduced in 1993 as proclamation number 81/1993 (FDRE, 1993). At the introduction of the proclamation, it stated that the purpose of lease holding of urban land is to bring sustainable urban development by collecting revenue through lease and participating private investors in urban property development by easing the cost of the transfer of the land. However, the

proclamation's assertion that when a leaseholder sells or transfers their developed property, any value appreciation beyond their initial lease payment should be retained by the local government, restrict the private investors to engage in real estate development, as their intension is to make profit. Hence, the intended urban development with the integration of private urban property investors remained in paper, and this was the main point for the revision of the proclamation in 2002 by proclamation 272/2002.

However, the new version of urban land lease proclamation came up with a different type of problem, mainly due to its provision of the leasees to capture all land value added to the land when transferring their right to the third body (FDRE, 2002). Additionally, the proclamation state different modes of urban land transfer including tender, allotment, assignment, award and negotiation with municipalities. Most of the modes were founded as corrupt ways by which corrupt urban land managers, speculators and land brokers emerged as dominant actors in urban land market. The speculators engaged in informal negotiations with corrupt officials to gain access to urban land. Brokers played a pivotal role in facilitating these informal land acquisitions.

Subsequently, those who secured the land lease engaged in speculative activities without developing the land, and they later transferred their rights to third parties, effectively capturing the entire increase in public land value. As a result, planned urban land development by private real property investors remained unrealized, and the government suffered revenue losses due to the absence of value-added land taxation. Looking its adverse effect, after five years, the FDRE government decided the proclamation to stay on hold until new proclamation is studied and issued. Accordingly, after five years of holding proclamation 272/2002, the third version which is under function to now, as proclamation 721/2011 has come to effect intending to correct the defects of the previous versions.

Hence the current proclamation, 721/2011 reads at its introduction that the purpose of the revision is to bring sustainable urban development, and the increased land value is to be distributed between the public and the leaseholders/developers (FDRE, 2011). The leaseholders are eligible to share in the division of the land value increment only if they adhere to the lease agreement, which stipulates that the land must be developed to a

minimum of fifty percent or more. When lease land transfer without development or development less than 50%, then the value added should totally captured by the municipality. In addition, the modalities of land transfer declared to be tender and allotment, while others like award, assignment and negotiation were declared as exposed for corrupt practices.

The proclamation stated that urban land transfer for all housing modes, other than government constructed condominium housing and government approved cooperative housing programs, should be transferred through auction. But, urban land acquisition at benchmark prices is designated for cooperative housing programs and government constructed condominium housing, which are intended as affordable housing options primarily for low- and middle-income urban communities, even though their affordability in practice may be limited.

Generally, the land tenure system of Ethiopia has been changing across the change of the political regime since the second half of the 19th century. The land was private owned by private holders and the access was restricted to the nobilities, clergy and military men during the imperial regime, while all urban and rural land including extra urban houses were nationalized and owned by the state during the Derg regime of Ethiopia. With the continual of the Derg regime, rural and urban land has become owned by the state, but the land administration become leasehold for urban land, and perpetual to the rural land. The common feature of urbanization in the regimes is again different; very insignificant during the imperial regime, little improved during the Derg regime, but extremely high rate of urban growth at present time, leading high demand of urban land associated with so slow supply of it, which is responsible for acute housing shortage in urban areas of the country including the case study area, Bahir Dar City.

2.3.5 Legal Framework Governing Land in Ethiopia

The FDRE constitution article forty sub article three declares that the state and the people hold ownership rights to land and natural resources, both rural and urban. Individual landholders are not permitted to sell, buy, or exchange. Article forty sub article eight of the

FDRE constitution empowers the government to expropriate privately held land for public use upon advance payment of compensation commensurate to the land's economic utility (FDRE, 1995).

Two separate policies govern land use and management for rural and urban areas in Ethiopia. The FDRE constitution under article 40/3 and rural land administration proclamation 456/2005 article 5/1 clearly describe rural land use for agriculture and natural resource development purposes. The proclamation states that farmers in the country who rely on agriculture for their livelihood should be provided access to rural land free of charge and without restrictions on how long they may use their land use rights. They have distinct rights on their land holding, like the use of the land for the intended land use, bequeath and inheritance to the family members and acquiring property produced on the land (FDRE, 1995, 2019; FDRE, 2002). If the government expropriates the land for a public purpose, the farmers should be compensated proportionally to the economic interest they lose in the form of substitute land/displacement compensation in cash.

On the other hand, the urban land administration system of the country is governed by a lease system (FDRE, 2011). Since the 1990s, the lease system has become Ethiopia's most widely used mode of urban landholding system. The duration of the lease extends from fifteen years in the case of urban agriculture to ninety-nine years for different social service uses (residential, education, health, technology, etc.). Its introduction dates to 1993 on the ratification of the urban land lease proclamation No. 80/1993 by the federal government to cope with the increasing demand for land in urban centers and to increase its urban revenue. According to the latest updated urban land lease proclamation (proclamation 721/2011) (FDRE, 2011), the urban land acquisition modalities through the lease system are tender and allotment. Tender/auction is a lease system by which landholding right is transferred from the government to a bid winner once the winner meets all the necessary preconditions. The allotment modality focuses on providing urban land to government offices, charitable organizations, community development based nongovernmental organizations (NGOs), religious organizations (for worshipping purposes), manufacturing, educational

institutions, health centers, and other infrastructure developments. The government often expropriates agricultural land from peri-urban landholders to fulfil this urban land demand.

In addition to the conventional (formal) method of land acquisition, the unofficial sale of urban land for housing purpose at the edge sites of urban areas is now taking place in an informal modality (Adam, 2014b; Derso, 2020). The dominant mode of transferring land from the government to the users is tendering lease land, which is not affordable for the mass urban population in the middle and low-income category. Due to the high and unaffordable price of urban land in this modality, the urban residents purchase land from peri-urban landholders (Yimam et al., 2022; Zelalem, 2014). Moreover, those high economic sections of the society also participate in the informal market with the tendency to speculate and capture the increasing land value without adding anything. Brokers being in between the holders and purchasers, facilitate the transaction. Informal expansions of residential areas are seen here and there in the peri-urban regions of Ethiopian urban areas.

In summary, regarding the legal and policy framework governing Ethiopia's land tenure and access system, the Ethiopian legal framework governing land ownership and administration is outlined primarily in the FDRE Constitution and additional proclamations. According to Article 40, land and natural resources are collectively owned by the state and the people, prohibiting private ownership but allowing individuals certain use rights. For rural areas, Proclamation 456/2005 provides free and indefinite land use rights to farmers, enabling them to bequeath or inherit land. In cases of expropriation for public use, compensation based on economic utility is mandated. Urban land is primarily managed through a leasehold system introduced in the 1990s, with lease durations varying from 15 to 99 years depending on land use. Urban land acquisition occurs through government tenders or allotments to public and nonprofit entities, often requiring expropriation of peri-urban agricultural land. However, an informal land market also exists, with middle and low-income residents purchasing peri-urban land outside the official lease system due to the high cost of tendered land, facilitated by brokers, often leading to informal residential expansion.

2.3.6 Urban Land Administration Barriers of Ethiopia

2.3.6.1 Municipality Bottlenecks in Identifying Land Resources

Effective urban land management starts with comprehensive identification and assessment of available land resources. In Ethiopia, there is a significant lack of organized and up to date information about urban land resources, making it challenging to establish an efficient land management system (Chekole et al., 2020). Without a clear understanding of land assets, urban planning efforts are limited, and city administrations cannot accurately address the demand for housing or plan for future growth.

A recent study by the Ethiopian Policy Research Institute indicates a discrepancy between estimated and actual urban areas. The reported urban land coverage was 5,200 square kilometers, yet sample analyses show urban areas occupy approximately 6,900 square kilometers, suggesting potential inaccuracies in land assessment (Dessu et al., 2020; Wubneh, 2018). This gap highlights the need for better land registration and resource management systems.

Furthermore, while urban areas in Ethiopia are expanding, they are not using their land to its full potential. When assessed for optimal land use intensity, Ethiopian urban areas show underutilization, suggesting that more housing and economic activities could fit within existing urban boundaries. This underutilization is significant given the pressure to accommodate rapid population growth (Yang et al., 2023).

Comparatively, Ethiopia's urban land density falls short of global standards. Globally, urban areas use only 3% of land area to accommodate around 54.5% of the population, according to international data. In contrast, Ethiopian urban areas occupy around 0.625% of the country's surface to accommodate roughly 25% of the population. This indicates not only a lack of optimal land use but also an urgent need to address administrative inefficiencies, such as registering and banking land resources, to support sustainable urban growth (Onur, 2015).

By improving land information systems, municipalities can make data driven decisions regarding land use. This step is crucial to planning future expansions effectively, optimizing existing spaces, and ultimately accommodating the growing demand for urban housing in Bahir Dar City and other rapidly urbanizing Ethiopian urban areas.

2.3.6.2 Inefficiency in Achieving Optimal Land Use Intensity through Redevelopment

In many Ethiopian urban areas, existing urban areas lack the necessary depth of land use, with approximately 74% of urban spaces deemed unsuitable for habitation due to inadequate infrastructure and housing standards (Lamson Hall et al., 2019). The majority of homes in these areas are constructed from mud and wood, lacking essential services such as water supply, accessible roads, and waste disposal. These deficiencies create unfit living conditions, negatively impacting public health and making residents vulnerable to social and environmental risks. Additionally, residents' properties are often poorly documented and registered, leaving them vulnerable to tenure insecurity and social instability.

Data from the Addis Ababa Master Plan study underscores the scale of this issue, revealing that over 38,000 hectares accounting for 72% of Addis Ababa are in need of substantial redevelopment and renovation. Similarly, historical urban areas like Dessie and Jimma have aging infrastructure, with more than 85% of their urban areas requiring urgent redevelopment (Zhang et al., 2019). This trend indicates a pressing need to enhance land use efficiency in existing urban cores, particularly in densely populated regions lacking basic urban services.

Despite the need for outward expansion, studies indicate a considerable amount of underutilized land within current city limits. Much of this is government owned land that remains underutilized or vacant, representing an untapped resource for urban renewal. Leveraging these inner-city spaces offers a more sustainable and cost-effective approach to urban expansion compared to developing peri-urban agricultural land. Therefore, city administrations should prioritize redeveloping these areas by integrating mixed use

development, enhancing service infrastructure, and formalizing property rights for current occupants.

In redeveloping these areas, a balanced approach is essential. Rather than complete demolition, city administrations should consider diverse strategies, including urban upgrading, to improve conditions without displacing residents unnecessarily. Urban upgrading involves enhancing infrastructure, services, and housing quality within existing communities, fostering more inclusive development. By focusing on optimizing land use within current boundaries, urban areas can enhance urban livability, support the local economy, and improve resilience to future growth pressures while preserving surrounding peri-urban agricultural land.

2.3.6.3 Barriers in Preparation of Land for Development

Effective urban development hinges on the availability of land for those capable and willing to invest in its growth. In Ethiopia, where land ownership is public and managed by the government, land supply largely depends on the government's ability to make land accessible to developers. However, the current supply of prepared land falls significantly short of demand, as evidenced by Addis Ababa, where unmet housing demand has reached over a million units (Hu & Qian, 2017). This shortfall points to fundamental challenges in the land supply system, which is unable to meet urban demands or operate with a cost recovery approach.

In many Ethiopian urban areas, the absence of a strong land banking and cadastral system limits the government’s ability to effectively prepare, manage, and allocate urban land (Wubneh, 2018). Without a comprehensive inventory of land resources, urban areas struggle to identify suitable land for development and are often forced to respond reactively to development needs. Ideally, unused land, including areas with outdated settlements or third-party pockets, could be reclaimed and organized into land banks, but the lack of systems to accurately track and manage land resources prevents this. Consequently, land preparation and allocation often depend on ad hoc methods, such as individual campaigns, letters, or even phone directives rather than strategic urban planning.

Another significant barrier to land preparation is the presence of existing residents in areas targeted for development. Accommodating these residents without disrupting their livelihoods or violating their rights requires careful planning and sufficient financial resources. However, inclusive development is often hampered by challenges in compensating displaced residents adequately and on time. Furthermore, insufficient support for the rehabilitation of displaced households exacerbates the situation, creating delays and breeding mistrust among affected communities.

Beyond issues in compensation and displacement, the absence of a well-organized, accessible, and reliable land data system compounds the problem. Most urban areas lack up to date land inventories and rely on unorganized (often manual) records that are ill suited for effective urban planning and land management (Admasu et al., 2019). A cadastral system, complemented by a land bank, could streamline land identification, preparation, and transfer processes, yet such systems are underdeveloped or absent in most urban areas. This gap prevents the government from effectively managing available land, facilitating urban renewal, or providing necessary development services.

In addition, the process of compensating affected parties, particularly in redevelopment areas with substandard or outdated housing, is often mired in delays and inefficiencies. Current compensation schemes do not adequately address the costs or support the basic development needs of those displaced by urban renewal projects. Consequently, redevelopment initiatives are frequently stalled, prolonging the cycle of insufficient land supply and unmet demand for urban housing.

For Ethiopia's urban areas to address these land preparation challenges, there must be an emphasis on developing a comprehensive land administration framework. This includes establishing a land banking and cadastral system, standardizing data collection methods, ensuring transparent compensation practices, and facilitating timely land preparation and transfer. Without such systems, urban development will continue to lag behind the demand, constraining housing access and slowing economic growth.

2.3.6.4 Barriers in Supply and transfer of Urban Land

The current land supply in Ethiopian urban areas falls far short of the demand, particularly for housing and development purposes. Numerous housing cooperatives are organized and awaiting land allocation across urban areas, yet many remain stalled due to limited access to land. Several factors contribute to this imbalance, including weak institutional frameworks, insufficient city revenue to cover compensation for expropriated land, and inadequate enforcement of regulations to curb illegal land acquisition (Cao et al., 2020; Jehling et al., 2018). Additionally, a lack of stringent controls has allowed nonresidents to engage in speculative land acquisition, anticipating that land and housing prices will rise, a practice that exacerbates demand pressures and drives up prices.

A significant portion of the unmet demand stems from a long-standing backlog, where development needs have accumulated over time without sufficient supply to address them. This situation has led to a system where land increasingly goes to those with substantial financial resources, making it challenging for average city dwellers to secure land. As a result, urban land prices and rents have soared, placing a significant strain on affordable housing access.

In terms of land transfer mechanisms, the majority (over 85%) is conducted through land allocation processes. However, this system is frequently criticized for inefficiencies and inequities. Given the scarcity of land, allocation-based transfers often fail to reflect market demands and can be subject to favoritism, corruption, or delays. For land distribution to effectively meet urban needs, the allocation system must be reformed to enhance transparency, efficiency, and fairness, ensuring that land is directed toward genuine development projects rather than speculative holdings.

Addressing the land supply and transfer challenges requires a multi-faceted approach. This includes developing a healthy institutional structure capable of managing and meeting urban land demands, generating sufficient city revenue to cover compensation needs, and enforcing a strong rule of law to deter illegal practices. Additionally, there is a critical need to prioritize equitable access, ensuring that city residents not just wealthier or external

investors can benefit from urban land. By fostering a fairer, more regulated land transfer system, urban areas can begin to alleviate some of the pressures driving land and housing costs upward, contributing to a more balanced and sustainable urban growth trajectory.

2.3.6.5 Barriers in Conservation of Land Resources

Effective land resource management requires the establishment and enforcement of comprehensive land laws, which serve as the foundation of a strong land management system. However, the high prevalence of illegal land occupation and construction in Ethiopian urban areas highlights significant gaps in regulatory enforcement. This trend suggests that certain urban areas, particularly on city outskirts, risk falling under the control of unauthorized entities rather than being properly managed by municipal authorities. This shift in control not only undermines the integrity of land administration but also introduces security risks and destabilizes local communities (Arabameri et al., 2019).

Urban expansion zones, typically situated at the fringes of urban areas, are often agricultural lands used for farming and grazing by rural communities. One reason these areas are vulnerable to illegal development is the unclear delineation between urban boundaries and neighboring rural districts. This lack of clear boundaries complicates oversight and enables opportunistic land acquisition by illegal actors. Furthermore, weak collaboration between urban and rural administrations exacerbates these challenges, as there is limited coordination to monitor and regulate these transition areas effectively (Neimark et al., 2018).

Another factor driving illegal land occupation is the disparity between legal compensation rates and the illicit market value for peri-urban land. Farmers and pastoralists are often compensated at rates that do not reflect the actual market value, making them more susceptible to engaging in unauthorized land transactions that promise higher returns. Without adequate financial incentives or support, local landholders see limited benefit in adhering to formal urban expansion regulations, creating fertile ground for illegal markets to thrive (Kim et al., 2019).

The failure of city administrations to enforce existing land laws and the absence of coordinated efforts between urban and rural governing bodies contribute significantly to this issue. Addressing these challenges calls for a more stringent, collaborative approach to land resource conservation. Clearer boundary demarcation between urban and rural areas, equitable compensation practices, and a concerted effort to harmonize urban rural administration are essential steps in reducing illegal land invasions and safeguarding urban expansion areas. By fostering coordinated action and stricter law enforcement, city administrations can mitigate the risks posed by unauthorized land use and build a more sustainable urban growth framework that respects both rural and urban landholders' rights and contributions.

2.3.6.6 Barriers related to Land Legal Framework

The Ethiopian Constitution establishes land as a public resource, aligning with the nation's market based economic framework. Under this structure, land is not privately owned but instead provided through a leasehold system, which accommodates both public ownership and the economic principles of a market economy. This approach attempts to balance the constitutional directive with the need for secure property rights and market informed pricing, both of which are essential in a market economy. From an economic perspective, leasehold tenure offers similar benefits to land ownership, with the primary distinction being the limited duration of rights. Consequently, Ethiopia's land laws reflect these considerations, with the Lease Law regularly revised to adapt to evolving urban development needs and economic conditions (FDRE, 1995 and 2011).

Despite these efforts, several urban areas still struggle to implement the lease system, particularly at the regional level. A significant issue with the lease system is the high lease auction prices, which have led to negative perceptions of the system. Factors contributing to inflated lease prices include limited land supply, inadequate announcements regarding bid timelines, and the influence of illegal brokers and artificial demand, which drive prices beyond what would naturally occur under fair competition (Bayuma & Abebe, 2023; Gebeyehu Admasu, 2015). Additionally, administrative gaps, such as in monitoring lease payments, have led to inflated valuations based solely on upfront payments, ignoring the

long-term financial planning associated with leasing. These inconsistencies are exacerbated by the irregular annual adjustment of lease payments, which further distorts the market and hinders sustainable urban development.

These issues are prevalent across the urban areas where leasing is practiced, impacting the competitiveness of urban areas and affecting the broader real estate market. The leasing system, when implemented effectively, plays a critical role in the development of both property sales and rental markets. However, the inconsistency and lack of standardization in leasehold implementation reveal a limited understanding of the lease model among stakeholders. Additionally, this model suffers from the absence of surveys or assessments that could tailor leasing to Ethiopian urban dynamics, creating substantial market distortions. This lack of consistent implementation creates disparities in property rights, with some leaseholders facing elevated prices and limited legal protections compared to others, which undermines competitive equity in the property market.

Addressing these challenges is crucial to fostering an effective and equitable leasing system in Ethiopian urban areas. Immediate research is needed to assess how the lease model can better fit the country's urban realities and improve the competitive landscape. Presently, only 827 out of 1,668 urban areas in Ethiopia have adopted the leasehold system. Even in urban areas that have implemented it, adoption is partial; for instance, only 36 percent of the 298,012 registered land plots in 27 urban areas have entered the leasehold system, leaving a substantial portion of urban land outside this framework.

2.3.6.7 Barriers in Land Value Capture while Transferring

The disparity between the costs of land preparation and the revenue generated from land transfers is a major challenge for sustainable urban development in Ethiopian urban areas. Current studies reveal that urban areas often do not recover the full costs of preparing land from the income received through land transfers. This shortfall limits the ability of municipalities to sustainably supply land for urban expansion and redevelopment, which intensifies pressures on city administrations to meet demand in ways that sometimes undermine the rights and livelihoods of current land users (Yimam et al., 2022).

One of the primary issues is the lack of a standardized approach to record and analyze land preparation expenses. Without a reliable system to track these costs, urban areas cannot set lease prices that reflect true expenses, often relying instead on rough estimates. Additionally, the financial returns from land leasing are often delayed relative to when urban areas need the funds for initial land preparation, creating a cash flow problem that further complicates sustainable land supply efforts. For example, initial lease payments collected when transferring land are not systematically tracked to cover future expenses, resulting in financial inefficiencies (Lamson Hall et al., 2019).

In Ethiopia's land management framework, land is governed by a leasehold system as stipulated by the constitution. This approach, designed to stimulate sustained demand for urban land, theoretically supports economic growth by enabling structured, predictable urban expansion. However, there are gaps in implementation that hinder efficient, equitable, and transparent land market development. To support fair and healthy urban property markets, it is essential to build a comprehensive land management system that upholds the rights and obligations of both landowners and users within a transparent and accountable framework.

Another significant issue is the inconsistent application of urban plans. Urban areas lack consistent guidance and oversight in urban planning, which leads to deviations from approved land use plans and arbitrary land use practices. Violations of planning norms are common, creating inefficiencies and increasing conflicts over land use. As economic growth accelerates, rural development centers and smaller urban areas often referred to as the "ciries of tomorrow" need effective urban plans and governance structures to accommodate growing demand. However, these areas have not received timely or sustainable responses, causing gaps in service delivery and impeding planned development.

2.3.7 The main problems in the housing development and management sector

2.3.7.1 Mismatch between housing supply and housing demand:

In Ethiopian urban areas, housing demand has been increasing significantly, driven by multiple factors that include the rapid pace of urbanization, rising population, and social economic changes. As urban populations grow, especially in rapidly expanding urban areas like Bahir Dar City and Addis Ababa, the need for adequate housing intensifies. Urbanization in Ethiopia has been recorded at an annual growth rate of over 5% over the past five decades, while the increase in housing stock has lagged far behind, growing at only 0.31% annually (Zhang et al., 2019).

The disparity between housing demand and supply is due to various interlinked factors. Population growth, the establishment of new families, aging and deteriorating housing stock, and economic factors such as increased incomes and the expansion of employment opportunities, including those created by new industrial parks are all contributing to this imbalance. Moreover, the backlog in housing supply has been accumulating for years, leaving a significant number of urban residents without access to adequate shelter (Adigeh & Taffse, 2021; Mekuria Haile, 2022).

A 2019 report from the Ministry of Urban Development and Construction, in collaboration with the World Bank, estimated that the country would need to construct approximately 471,000 houses annually through 2025 to meet immediate housing demands (Zhang et al., 2019). This number is projected to increase to 486,000 housing units each year, on average, until 2035. However, the actual capacity to meet these requirements has remained limited, largely due to various systemic, financial, and logistical constraints. The shortage is felt most acutely in large urban centers, where housing demand is highest. For example, by the end of 2005, a staggering 947,000 people in Addis Ababa were registered as seeking housing through government programs, highlighting the extent of the unmet need.

The repercussions of this housing deficit extend beyond shelter issues, impacting economic, social, and psychological aspects of life for affected individuals. Many families spend a disproportionate share of their income on temporary or substandard housing, which

limits their ability to invest in other essential areas. This inadequate housing situation contributes to increased social stress, community dissatisfaction, and reduced quality of life, particularly among low-income and vulnerable groups.

To address this pressing issue, it is estimated that Ethiopia will need to build at least 4.4 million new housing units over the next decade to meet around 80% of the projected demand. This goal, however, is highly ambitious, given current financial and administrative constraints. Success will depend on the country's ability to enhance policies, improve access to resources, and mobilize partnerships to drive an adequate response to urban housing needs.

2.3.7.2 Challenges in Providing Adequate Land for Housing in Ethiopia

The failure to supply sufficient land for residential purposes has significantly hindered the housing sector's ability to meet the demand for homes in Ethiopian urban areas. This issue is rooted in various limitations within land policy and market restrictions, leading to a growing reliance on informal land acquisition, which presents its own set of challenges.

According to the current land policy framework, the supply of urban land has not kept pace with the rapid increase in housing demand. Constraints within the leasing system have exacerbated this issue. Since sub leasing is prohibited under the existing laws, private investors and developers have limited opportunities to participate as suppliers of residential land. Instead, investors can only build and sell housing units directly, rather than subleasing plots, a restriction that limits market flexibility and access to land. This constraint, coupled with limited transparency and regulation, exposes homebuyers to potential risks, such as inflated prices and limited legal protection (FDRE, 2011).

Moreover, the leasing law mandates that land for residential use should be offered in a "developed" state, with essential infrastructure such as roads, water, and electricity in place. However, in practice, the land often lacks this infrastructure, leading to delays in housing construction and increasing the cost for homebuilders who must either wait for the infrastructure to be provided or bear the burden of arranging it themselves. This inconsistency not only slows down the construction process but also leads to administrative

barriers and governance issues, as residents struggle with inadequate service provision even after construction is complete.

In response to these obstacles, the informal sector has emerged as a primary source of land for housing. Farmers, especially those in peri-urban areas where urban areas are expanding, frequently sell land informally, bypassing the formal allocation processes. Although this informal market can provide quicker access to land, it is unregulated, and properties acquired through informal means lack formal title, creating potential legal issues and further complicating urban planning and land management.

In addition, housing policies have largely equated the provision of housing with the provision of land, without considering alternative solutions for shelter that could complement the limited land supply. Innovative approaches, such as high-density housing, rental housing options, or the use of prefabricated structures, have not been prioritized. Expanding the housing solution toolkit beyond traditional land allocation could help address the severe shortage, yet these alternatives remain underutilized within current policy and planning frameworks.

In summary, addressing the housing crisis in Ethiopia will require reforms in the land supply system, policy flexibility for investors, and greater innovation in housing provision to reduce reliance on informal land markets and support sustainable urban growth.

2.3.7.3 Unaffordability of Housing for Most of the Population in Ethiopia

The growing disparity between housing supply and demand has resulted in soaring property prices, placing homeownership out of reach for many Ethiopian households. Several contributing factors exacerbate this issue, including market inefficiencies, high construction costs, and restrictive standards in urban planning.

Firstly, the housing market in Ethiopian urban areas is distorted by illegal brokers and a lack of transparency. These brokers often drive-up prices through speculative practices, making housing even less affordable. Furthermore, while research and innovation in construction should ideally lead to cost effective solutions, current practices have yet to

yield significant price reductions. Instead, the resources and materials chosen frequently remain expensive, contributing to rising housing costs. Urban planning standards also play a role in unaffordability, as some city regulations mandate the use of specific materials and construction techniques that may not align with the financial capacities of the average homebuyer. For example, standardizing construction with certain materials, despite the potential for alternatives, places an additional financial burden on residents (Nuriye, 2019).

The rising cost of living further amplifies these challenges, as higher expenses for basic goods and services place additional pressure on households and drive-up rental prices. This inflation of living costs, coupled with an unregulated property market, widens the gap between available housing and what most of the population can afford.

2.3.7.4 Limited Participation of Key Stakeholders in Housing Provision

As housing demand surges, it is essential for all sectors public, private, and community based to engage strongly in the supply of housing. Historically, housing provision was primarily the responsibility of individual homebuilders and housing cooperatives. However, as urban demand grew, the government took on a more prominent role, creating subsidized housing programs and expanding public sector involvement in housing (Ahmed & Bin Sipan, 2020; Kavishe & Chileshe, 2019).

Despite these efforts, there remains a lack of adequate opportunities and frameworks for the private sector to engage significantly in the housing market. Private developers, though capable of contributing substantially, face barriers due to restrictive regulations, limited access to land, and lack of incentives for private public partnerships. The absence of a collaborative framework also restricts potential involvement from international partners or non-governmental organizations that could bring in external resources and expertise to scale up housing efforts.

To make housing accessible and affordable, it is critical to promote a more inclusive approach to housing provision (Ahmed & Bin Sipan, 2020). This requires policy reforms that incentivize private sector participation, foster partnerships with international actors, and enable the use of cost-effective materials and construction techniques aligned with the

economic realities of the broader population. By engaging all stakeholders and expanding housing options beyond conventional models, Ethiopia could make strides toward addressing its housing affordability crisis and reducing reliance on costly, traditional housing models.

2.3.7.5 Challenges in Achieving Fast and Quality Housing Construction

The construction of housing in Ethiopian urban areas is frequently delayed, with quality often compromised (Onur Ozlu, Abebaw Alemayehu, Megha Mukim, Somik Lall, 2015). This is largely due to the inadequate infrastructure on designated construction sites, as well as limitations within the construction sector itself. Many plots lack basic infrastructure such as roads, water, electricity, and sewage systems causing delays and increasing costs as developers often have to wait for or implement these essentials before building can begin.

Additionally, the construction sector struggles with limited capacity, both in terms of labor and technology. The industry is dominated by traditional methods and has yet to widely adopt modern construction techniques that could accelerate building timelines and improve quality. For instance, off site manufacturing, where prefabricated components are assembled on site, is an approach that could streamline the construction process and reduce costs. Although some companies and projects have implemented this assembly-based model, it remains underutilized due to insufficient technological investment, skill shortages, and limited awareness of alternative construction methods. Addressing these issues through investment in up-to-date technology, training, and infrastructure improvements could significantly enhance both the speed and quality of housing delivery in urban areas.

2.3.7.6 Neglect of Rental Housing as a Viable Solution

In Ethiopian culture, homeownership is closely tied to social status and security, making it the preferred form of housing. The government's housing strategy, which has largely focused on ownership, reflects this societal preference (Tadashi & Jonathan, 2015). However, this emphasis has overlooked the potential of rental housing as a practical and flexible solution to meet urban housing needs.

The current land supply system supports ownership by allocating land primarily to associations and individuals who intend to build for themselves. This policy has limited land access for small and medium scale rental developers, who could otherwise provide affordable rental options, especially for lower- and middle-income households. Land re zoning policies, intended to make efficient use of urban space, have also missed the mark. Increased space for roads, for instance, has added infrastructure costs rather than freeing up land for residential development, reducing the availability of land that could be used to expand the rental housing market (Adigeh & Taffse, 2021; Cao et al., 2020).

Despite these barriers, the rental sector remains the primary provider of housing for a significant portion of the urban population. However, much of the rental market operates without formal support or regulatory guidance, often relying on informal arrangements where existing homeowners add rental units to their properties without permits. While this does provide housing, it leaves tenants vulnerable and lacks quality control.

To address this gap, urban planning and housing policy could promote rental housing as a legitimate and supported option. This would involve encouraging legal rental development, providing incentives for small and medium scale landlords, and offering clearer guidelines for incorporating rental housing into urban plans. Expanding support for rental housing would increase accessibility, meet diverse housing needs, and reduce reliance on informal housing solutions.

2.3.7.7 Inadequate Habitability Standards in Existing Housing

A significant portion of housing in Ethiopian urban areas fails to meet basic habitability standards, often lacking essential facilities such as bathrooms, toilets, and other sanitary infrastructure. Many of these dwellings, originally constructed as temporary shelters or for purposes other than residential use (e.g., small restaurants or shops), have been repurposed as homes. These structures are typically old, built with unsanitary materials, and prone to rapid deterioration, making them vulnerable to emergencies and natural wear. Furthermore, a substantial number of these houses were constructed without formal planning or adherence to safety and health standards, resulting in cramped, poorly ventilated, and structurally unsound living spaces (Onur Ozlu, Abebaw Alemayehu, Megha Mukim, Somik Lall, 2015; Zhang et al., 2019).

Even as new housing developments emerge in urban areas and peri-urban areas, they often replicate the same substandard construction practices of the past. These housing units continue to lack basic facilities and amenities necessary for safe and comfortable living. Therefore, addressing the shortage in housing supply alone is insufficient; improving the habitability and safety standards of available housing is equally crucial to meeting the true needs of urban residents.

2.3.7.8 Overemphasis on Housing Development in Major Urban areas

The current strategy for housing development in Ethiopia has placed disproportionate focus on Addis Ababa and other large cities. Given the scale of housing demand and the economic potential of major urban centers, it may seem rational for government and private investments to prioritize these areas. However, this practice has unintentionally reinforced imbalances in the urban system (UN Habitat, 2011).

By concentrating resources in Addis Ababa, government investments have increased the city's attractiveness, drawing more people to the capital and straining its infrastructure, housing, and services. The lack of balanced investment in secondary urban areas and smaller urban areas has left them underdeveloped and less capable of absorbing growth. To create a more balanced urban system, housing policy and investment must expand to

regional centers and smaller urban areas, enhancing their capacity to support economic and population growth and reducing overreliance on Addis Ababa (Larsen et al., 2019).

2.3.7.9 Rapid Shift from Mixed-Income to Similar-Income Neighborhoods

Historically, Ethiopian urban areas maintained mixed income neighborhoods where residents of varying socioeconomic statuses coexisted and shared resources. This inclusive urban fabric allowed for mutual support among residents, fostering a sense of social cohesion and creating accessible urban services. However, with new urban developments and large-scale redevelopment projects, this mixed settlement pattern is rapidly disappearing. Redevelopment efforts are segregating income groups, creating separate residential zones for wealthy and low-income residents. Consequently, urban poverty and affluence are now physically and socially distanced, reducing social integration and straining community relations (Larsen et al., 2019).

As neighborhoods become more segregated, the demand for transportation increases as residents live further from their workplaces and urban services. This results in greater congestion, elevated infrastructure costs, and a decline in the social harmony that traditionally characterized Ethiopian urban areas. Preserving the mixed income neighborhood model, where possible, could contribute to a more inclusive, sustainable, and harmonious urban environment (Steel et al., 2017).

2.3.7.10 Absence of a Comprehensive Legal Framework for Housing Development

A well-structured legal framework is essential for transparency, accountability, and efficient management in housing development. Unfortunately, Ethiopia's housing sector is governed by a patchwork of incomplete and dispersed laws, lacking a cohesive and unified approach. This legal fragmentation has created challenges in the effective management and regulation of housing development, particularly in the real estate sub sector.

The absence of a comprehensive legal framework has enabled illegal practices in real estate transactions, which harm both consumers and the sector. Some real estate developers, for example, acquire land with the intention to build housing but subsequently sell the land at

a higher price without construction, earning profits without fulfilling their obligations to homebuyers. In some cases, developers advertise properties, collect advance payments, and register potential buyers without having secured legal ownership of the land or construction permits, exposing consumers to financial and legal risks.

Additionally, the lack of a landlord tenant law leaves tenants vulnerable to arbitrary rent increases and limited protections. To address these issues, Ethiopia needs a strong legal framework that clearly defines the rights and responsibilities of developers, landlords, tenants, and homebuyers. By implementing a comprehensive legal system, the country can protect consumers, foster a healthier housing market, and promote fair and efficient housing development. A coordinated legal approach that closes gaps in regulation, provides investor guidelines, and strengthens enforcement measures would enhance transparency, stabilize the housing market, and protect the rights of citizens.

2.4 Conceptual Framework

The conceptual framework for the dissertation titled "Urban Land Acquisition for Housing: Scenarios, Challenges, and Policy Perspectives in Bahir Dar City, Ethiopia" focuses on the complex dynamics of urban land acquisition for housing in Bahir Dar City. It integrates theoretical insights, conceptual understanding, and empirical evidence to address four key research objectives: examining peri-urban land acquisition by expropriation, evaluating cooperative housing frameworks, analyzing informal land acquisition processes, and identifying administrative and policy barriers.

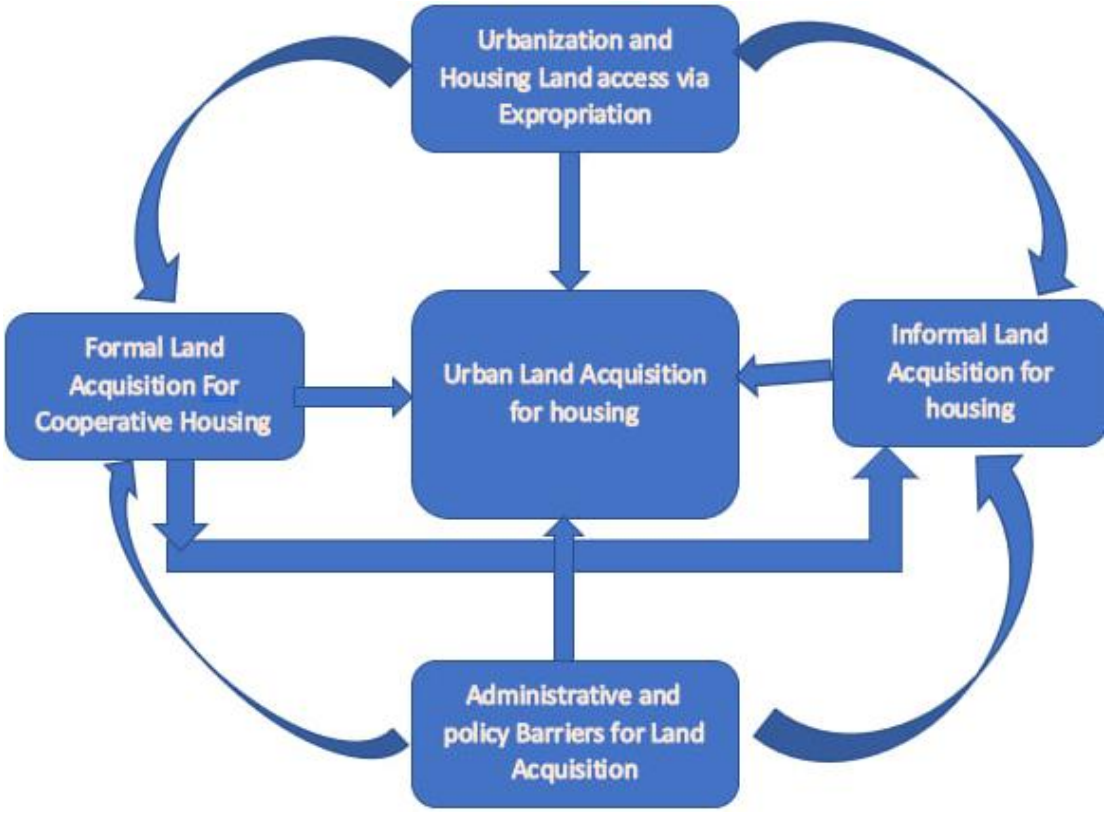

Figure 1: Conceptual Framework of the Dissertation

The framework begins with theoretical foundations that establish key concepts relevant to urban land acquisition. Bid Rent Theory explains how land value varies with distance from the urban center, influencing land acquisition decisions for housing. Additionally, the indemnity and gainers take theory relates to compensation mechanisms in urban land expropriation, providing insights into the socio-economic effects on displaced landholders.

Next, the conceptual literature review situates urban land acquisition within broader socio-economic and historical contexts. It explores urbanization trends both globally and locally, setting the stage for understanding land acquisition dynamics. The review examines historical perspectives on land acquisition strategies, as well as various land tenure systems and their implications for urban housing, contrasting formal and informal scenarios. The role of cooperative housing development is also investigated as a strategy for improving access to affordable housing for low- and middle-income groups.

The empirical literature review contextualizes theoretical and conceptual insights within the specific realities of Bahir Dar City. It reviews case studies that highlight the effects of land expropriation on housing access and the socio-economic impacts on displaced communities. The evaluation of cooperative housing frameworks focuses on their effectiveness in enhancing affordable housing options. Additionally, the analysis of informal land acquisition examines the drivers and processes behind informal transactions and settlements, emphasizing demand dynamics and accessibility. The review of Ethiopian urban land tenure and access policies identifies gaps and challenges within the existing administrative framework.

Finally, the framework culminates in identifying administrative and policy barriers that hinder effective urban land supply and housing development in Bahir Dar City. By synthesizing findings from the literature reviews and empirical analyses, the study proposes targeted reforms aimed at enhancing the efficiency of formal land allocation processes, strengthening cooperative housing initiatives, improving the regulatory framework for informal land transactions, and addressing socio-economic disparities faced by low- and middle-income residents in accessing urban land.

This cohesive conceptual framework serves as a guiding structure for analyzing the scenarios, challenges, and policy perspectives of urban land acquisition for housing in Bahir Dar City. By intertwining theoretical insights, conceptual understandings, and empirical evidence, it aims to provide a comprehensive analysis that informs actionable recommendations for improving urban land policies and housing development strategies in the city.

2.5 Literature Gap

Despite the growing interest in urban land acquisition and housing development in Bahir Dar City, significant research gaps remain that warrant further exploration. Firstly, while there is existing literature on the theoretical frameworks related to urban land acquisition, such as Bid Rent Theory and indemnity principles, there is a lack of empirical studies that specifically examine how these theories apply in the context of Bahir Dar City. Understanding the real-world implications of these theories on housing access, compensation, and socio-economic impacts on displaced landholders is crucial for developing context specific policies.

Secondly, the role of cooperative housing frameworks in facilitating affordable housing for low- and middle-income groups has not been thoroughly examined in Bahir Dar City. While cooperative housing is recognized as a potential solution for addressing housing shortages, there is limited empirical evidence on its effectiveness, operational mechanisms, and challenges faced by cooperative housing initiatives in the region. This gap highlights the need for focused research that evaluates existing cooperative models and identifies best practices for enhancing their impact.

Furthermore, the dynamics of informal land acquisition and settlement processes in Bahir Dar City remain underexplored. Although there are studies addressing informal transactions broadly, the specific drivers and processes of informal land acquisition in peri-urban areas require further investigation. Understanding the demand dynamics and the socio-economic factors that propel individuals toward informal land markets can provide valuable insights for policymakers seeking to improve formal land delivery systems.

Another significant gap exists in the identification and analysis of administrative and policy barriers affecting urban land supply and housing development. While there is some literature on Ethiopian urban land tenure policies, detailed assessments of the practical challenges and inefficiencies within the administrative framework in Bahir Dar City are lacking. Identifying these barriers is essential for proposing targeted reforms that can enhance the effectiveness of land administration and housing policies.

Lastly, existing research tends to focus on either formal or informal land markets in isolation, often neglecting the interactions between the two. An integrated analysis of how informal settlements emerge as a response to the inadequacies of the formal land and housing delivery systems can yield critical insights for addressing urban housing challenges.

Addressing these research gaps will contribute to a more comprehensive understanding of urban land acquisition for housing in Bahir Dar City, ultimately informing more effective policies and strategies that meet the needs of diverse urban populations.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a methodological detail to investigating the complexities of urban land acquisition for housing in Bahir Dar City. The chapter begins by describing the study area to contextualize the research setting, followed by an outline of the research design, which encompasses the guiding philosophy and approach adopted for the study. Subsequent sections cover the sampling design and specify the types and sources of data required to address the research questions effectively. The chapter then details the methods for data collection, analysis, and presentation, ensuring systematic and demanding treatment of data. Lastly, considerations for validity and reliability are discussed to confirm the strongness of the methodology and the credibility of the findings.

3.2 Description of the Study Area

3.2.1 Location and Physiography of Bahir Dar City

Ethiopia, located in the Horn of Africa, shares borders with Eritrea, Djibouti, Somalia, Kenya, South Sudan, and Sudan. The country is divided into twelve regions and two chartered cities, including its capital, Addis Ababa. The study area, Bahir Dar City, is situated in the northwestern part of Ethiopia and covering approximately 62.5 square kilometers. Geographically, Bahir Dar City lies between 11°27' N and 11°43' N latitude and 37°14' E and 37°38' E longitude, placing it within the tropics in the Northern Hemisphere (**Figure 2**). Administratively, the city includes the main urban area of Bahir Dar City along with three satellite towns: *Zegie* to the north, *Meshenti* to the southwest, and *Tis Abay* to the southeast. In terms of relative location, Bahir Dar City is positioned about 563 kilometers northwest of Addis Ababa, accessible via the Addis Ababa Debre Markos Bure Road.

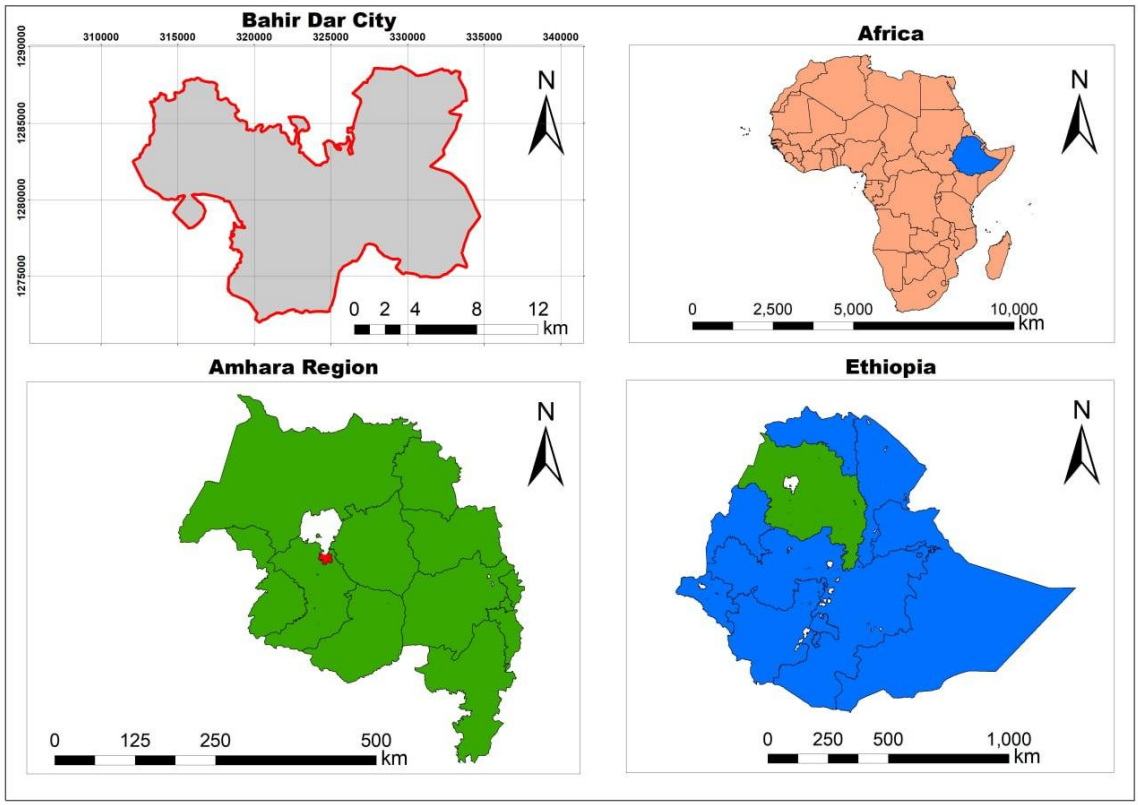

Figure 2. Location Map of the Study Area

physiographical, Bahir Dar City is situated along the shores of Lake Tana and the Abay (Blue Nile) River, with a largely flat, highland topography. Its landscape predominantly comprises plains, with minor undulations that include escarpments, ridges along the river, and occasional hills and dips, all of which together make up less than 2 percent of the area. The city's average elevation is around 1820 meters above sea level, categorizing it as part of the Ethiopian highlands.

3.2.2 Climate

Bahir Dar City has a climate that is classified as a borderline tropical savanna with characteristics of a subtropical highland climate. The city is situated at an elevation of approximately 1,820 meters above sea level, which contributes to its temperate conditions.

The average annual temperature in Bahir Dar City is around 22.26°C. Monthly temperatures vary, with January typically experiencing average highs of 27.71°C and lows around 8°C. The warmest months are generally from March to May, when daily maximum temperatures can reach up to 32°C. In contrast, the coolest months are from June to August, where average temperatures drop to around 20°C during the day and can be cooler at night.

Bahir Dar City receives an average annual rainfall of about 1,416 mm, with the majority occurring during the rainy season from June to August. July is particularly wet, averaging 396 mm of rain over approximately 28 rainy days. The dry season occurs from October to May, with minimal rainfall during these months; for example, January and February typically see less than 3 mm of precipitation each.

The relative humidity in Bahir Dar City varies throughout the year, generally increasing during the rainy season. Average humidity levels can reach up to 84% in July and August. The city enjoys considerable sunshine, with daily sunshine hours ranging from about six hours in July and August to ten hours in January and December.

In summary, Bahir Dar City's climate is influenced by its elevation and geographical location near Lake Tana and the Blue Nile River. This results in a unique weather pattern that supports both agricultural activities and tourism in the region.

3.2.3 Historical Background of Bahir Dar City

The historical foundation of Bahir Dar City is closely linked to the establishment of the Saint George Church, originally located at the present site of St. George Church, around the 14th century. Initially a rural village, Bahir Dar City evolved over time to become one of Ethiopia's largest cities. Its accelerated transformation into a modern township was notably influenced by the Italian occupation between 1928 and 1933, during which Bahir Dar City served as a key military base for Italian expeditions in the region. The city’s name, "Bahir Dar City," reflects its proximity to significant water bodies, Lake Tana and the Abay (Blue Nile) River, translating to "periphery of a water body." This name captures the city’s unique location near both lake and river, which, along with the establishment of Kidane Mihiret Church, played a pivotal role in shaping its foundation and growth.

3.2.4 Demography and Urban Housing

Bahir Dar City's demographic growth has been influenced by the city's socioeconomic, political, and geographical advantages, which attract people from across Ethiopia, particularly from the Amhara region. This trend is evident when examining census data and projections. In 1984, the first National Population and Housing Census of Ethiopia recorded Bahir Dar City's population at 54,766. By the time of the second census in 1994, the city's population had surged by 72%, reaching 94,235 (CSA, 1984, 1994). During the third census in 2007, the population had doubled to 180,174 compared to 1994 and had tripled over the 1984 census figures (CSA, 2008). Although no recent official census data has been collected since 2007, projections for the period from 2012 to 2037 indicate continued rapid population growth. By 2017, Bahir Dar City's population was projected to reach 313,997, with estimates indicating a further increase to 455,901 by 2022 (CSA, 2013b; BDCSPO, 2022).

This rapid population growth has brought about significant socioeconomic development, but it has also presented considerable challenges, especially within the housing sector. The 1984 census reported a total of 9,206 Housing Units (HU) and 10,921 Households (HH), showing that approximately 89% of households were owner occupied. During the second census in 1994, the number of housing units and households had increased to 19,808 and 20,857, respectively, with about 95% of households owning their homes (FUPI, 2006). Before the first urban land lease system was introduced in 1993, land acquisition for urban uses was governed by a permit-based system that made housing accessible for many, enabling residents to achieve high rates of homeownership.

However, the introduction of the urban land lease system in 1993 shifted land acquisition toward a merit-based approach, often favoring those with higher incomes. Despite projections to maintain high homeownership levels (with a target of 35,556 housing units to serve an estimated 37,344 households by 2015), a 2015 study by the World Bank and the Government of Ethiopia revealed that only 40% of households were able to live in their own homes. As a result, 60% of the city's population became dependent on rental housing,

contributing to the proliferation of informal settlements on the city's periphery (Adam, 2014b; Liu et al., 2023b).

The strain on Bahir Dar City's housing sector exemplifies the challenges posed by rapid urbanization, necessitating policies that address both housing availability and affordability. This shift underlines the importance of creating more equitable systems for urban land allocation, ensuring that economic development is matched by sustainable housing solutions.

3.2.5 Administration and Governance

Administratively, Bahir Dar City is divided into six sub-cities and ten peri-urban rural kebeles. Each kebele, Ethiopia's smallest administrative unit, comprises an average of 1,500 households and plays an integral role in the city's broader planning area. The city also incorporates three satellite towns: Zegie to the north, Meshenti to the southwest, and Tis Abay to the southeast. The main urban area includes six sub-cities; Atse Tewodros, Gishe Abaye, Belay Zelke, Dagmawi Menelik, Tana, and Fasilo, and six peri-urban rural kebeles, namely Zenzelma in the northeast, Woreb Kol in the east, Sebatamit in the southeast, Addis Alem in the south, Yibab in the southwest, and Woramit in the northwest.

A World Bank study estimated that approximately 25% of Bahir Dar City requires urban renewal to address the growing demand for land (Zhang et al., 2019). The primary source of urban land in Bahir Dar City comes from peri-urban holdings, which the municipality acquires from farmers through a compensation process (Adigeh and Abebe, 2024). Like other Ethiopian urban centers, land in Bahir Dar City is governed under a leasehold system in which the municipality owns and manages the land, providing it for various uses, including housing, through lease agreements. According to Ethiopia's Lease Proclamation No. 721/2011, only the government can transfer and supply serviced land, limiting private ownership and directly impacting the availability of land for housing.

The constrained supply of land has driven up housing costs, making both home ownership and renting increasingly unaffordable for many residents of Bahir Dar City. The high demand for urban land, coupled with limited availability, underscores the pressing need

for sustainable urban planning and land management strategies to meet the housing needs of the city's rapidly expanding population.

In conclusion, Bahir Dar City, the capital of Ethiopia's Amhara Region, is a rapidly growing city situated near Lake Tana and the Blue Nile River. The city's moderate climate supports agriculture and tourism, while its history dates back to the 14th century. Rapid urbanization has caused significant challenges in housing and land access, with projections suggesting a population exceeding 450,000 by 2022. Initially, high homeownership rates were sustained through a permit-based land system, but the 1993 shift to a leasehold system has limited land access, causing homeownership to fall to under 40% and rental dependency to rise. Today, Bahir Dar City's six sub-cities and ten peri-urban kebeles are governed by the municipality under Ethiopia's Lease Proclamation No. 721/2011, which restricts private land ownership and heightens the need for sustainable urban planning and affordable housing solutions.

3.3 Research Philosophy

Research philosophy is a foundational aspect of the research process that influences how researchers design their studies, collect data, and interpret findings. Understanding research philosophy is essential for developing a clear research design and selecting appropriate methods (Mkansi & Acheampong, 2012; Tamminen & Poucher, 2020).

Therefore, in the research philosophy section of this dissertation, the ontological and epistemological foundations are critically examined to establish a strong framework for understanding the complexities of urban land acquisition.

3.3.1 Ontological Foundations of the Dissertation

This study recognizes that land is not only a physical asset but also a socio-economic resource, reflecting power dynamics and relationships among various stakeholders. In Bahir Dar City, the land acquisition process is shaped by historical legacies, institutional frameworks, and the interaction between formal and informal practices, alongside the policy, administrative, and institutional factors that influence urban land acquisition for housing development. By examining these complexities, this research seeks to uncover

how different actors including government officials, landholders, and participants in the informal land market, such as developers, speculators, informal land sellers, and housing cooperatives perceive and navigate the challenges associated with acquiring land for housing.

3.3.2 Epistemological Foundations of the Dissertation

The epistemological stance of this study emphasizes a qualitative approach to knowledge generation, focusing on understanding the lived experiences and perspectives of individuals affected by urban land policies. This approach aligns with interpretivist paradigms, where knowledge is seen as context dependent and constructed through social interactions (Creswell, 2014; Mkansi & Acheampong, 2012). Through methods such as interviews and focus group discussions with key informants from various sectors including government agencies, housing cooperatives, and affected communities the research seeks to gather rich, in-depth insights into the mechanisms of land acquisition, compensation practices, and the socio-economic impacts on displaced landholders. This epistemological framework not only aims to highlight existing challenges but also seeks to identify opportunities for policy reform and improved housing access in Bahir Dar City.

By integrating these ontological and epistemological foundations, the research provided a comprehensive understanding of urban land acquisition processes in Bahir Dar City. This framework will guide the investigation into how land policies affect housing access for low- and middle-income groups while addressing informal settlements and administrative barriers that hinder effective land supply. Ultimately, this philosophical grounding will support the formulation of targeted recommendations for enhancing urban land management practices in Ethiopia.

3.4 Research Design

This study adopts a concurrent nested mixed-methods approach, primarily qualitative, with embedded quantitative GIS analysis to enhance spatial understanding of urban expansion and land acquisition patterns. This design primarily follows a qualitative research methodology while incorporating quantitative elements, particularly through GIS analysis. The qualitative approach provides an in-depth examination of urban land acquisition practices, legal frameworks, and governance challenges, while GIS data enhances spatial analysis of land use changes and urban expansion patterns.

In line with this, the research follows a descriptive case study strategy with a cross-sectional data collection timeframe, ensuring a comprehensive investigation of urban land acquisition dynamics. This alignment ensures the consistency and relevance of each methodological component to the study's specific focus areas, including peri-urban expropriation, cooperative housing frameworks, informal land acquisition, and policy and administrative barriers to urban acquisition for housing development. A cross-sectional data collection strategy was used to capture the current state of land acquisition processes and their implications.

3.5 Source of Data

To achieve the research objectives, both primary and secondary data sources were utilized. Primary data were gathered through key informant interviews and focus group discussions with government officials, experts, community leaders, farmers, and housing cooperative members and committees. Additionally, direct observations were conducted to assess the existing conditions of urban land acquisition for both formal and informal housing developments. Satellite imagery was analyzed to track Bahir Dar City's expansion over a ten-year period (2011–2021). Secondary data were obtained from both published and unpublished documents, providing further context and supporting analysis.

3.6 Sampling design

Selecting appropriate respondents in research is a crucial task for obtaining accurate data and ensuring the study's reliability.

3.6.1 Target population

The target population of this study consisted of key informants focus group discussants who are directly involved in urban land acquisition and housing development, both in the formal and informal system in the study area. These include:

- ✓ Government employees at managerial and expert levels working in land administration, housing development, urban planning, and regulatory offices.
- ✓ Farmers who have submitted their land through expropriation for housing purposes.
- ✓ Kebele leaders, elders, house owners, brokers, and urban land demanders awaiting land acquisition.
- ✓ Housing cooperative members, including those who have received land, constructed homes, or remain on the waiting list.

They were carefully selected and inquired about the urban land acquisition situation for housing development and the general dynamics in the process.

3.6.2 Sampling Technique

The study is highly qualitative in nature, relying on key informants with direct knowledge and experience of urban land acquisition and housing development in the study area. A purposive sampling method was used to select key informants for interviews and focus group discussions. Additionally, snowball sampling was applied to identify relevant government officials, local community representatives, and focus group discussants. Respondents were carefully chosen based on their expertise and involvement in peri-urbanization, land expropriation, and housing development. This selection ensured diverse perspectives, contributing to a comprehensive understanding of urban land acquisition for housing development.

For the focus group discussions (FGDs), a stratified random sampling technique was used to select peri-urban farmers (excluding those in KIIs) who had partially or fully submitted their agricultural land for urban use, as well as housing cooperative members, including those who had received land and those still on the waiting list. Their contact information was obtained from the urban land administration and housing cooperative offices. Participants were recruited with local authorities' assistance, informed about the study's

purpose, and provided voluntary consent. Selection was based on their knowledge and experience in peri-urbanization, land expropriation, and acquisition.

3.6.3 Sample Size Determination

A total of 93 key informants participated in the study, providing insights into urban land acquisition in Bahir Dar City. These included 31 officials and experts from various municipal sectors, such as housing and land development, management offices, the cooperative office, the planning office, and the code enforcement office. Additionally, 19 housing cooperative committee members, 8 kebele leaders, and 20 farmer representatives, who had experienced expropriation and informal land transactions, were included. The study also engaged 5 brokers involved in informal land transactions and 10 land buyers from the informal market.

Additionally, five focus group discussion (FGD) sessions were conducted: two with 18 farmers who had submitted their agricultural land for urban use and three with 21 housing cooperative members, with each FGD consisting of seven participants. The discussions were designed to gather empirical insights on the impact of peri-urban land expropriation on farmers' livelihoods, as well as the overall dynamics and practices of urban land acquisition for housing cooperatives.

Participants were purposively selected for their extensive knowledge and experience in urban land acquisition practices in Bahir Dar City. Snowball sampling, a subset of purposive sampling, was employed to identify and recruit respondents best suited to provide valuable insights into the study.

3.7 Data Collection Procedures

For the KIIs, a semi structured interview guide was used to explore the process of housing cooperative formation, land acquisition processes and practices, urban land demand and supply for housing in general and for housing cooperatives scheme in particular, the limitations of the cooperative housing policy, the challenges that hamper the effectiveness of the cooperative housing program. In addition, the FGD discussants were informed about the purpose of the study and confirmed their full consent for participation. Then,

introductory and discussion questions (checklist) was provided to all of the participants, and read for those who want to get the read.

Before conducting the interviews, full consent was obtained from each participant by explaining the study's purpose and assuring the confidential use of their responses. The researcher took note of the contexts of the KIIs and FGDs in a notebook. The interviews and discussions were conducted by the researcher with the help of friends living in the city, using the local language, Amharic. Later, the transcripts were translated into English. The participants chose their preferred venues, either their offices or homes/locality. The KIIs and FGDs each lasted 60 90 minutes and were recorded in the notebook. In addition, the researcher conducted an extended direct field visit to observe three sites (Lideta in the south, Diaspora and Zenzelma in the east edge of the city) where residential land plots were provided to housing cooperatives in Bahir Dar City. The data collection took approximately seven weeks, from mid-January to the first week of March in 2022, at different times.

3.7.1.1 Data Analysis

Thematic analysis was used to interpret the data collected through key informant interviews (KIIs), focus group discussions (FGDs), and desk reviews. This method, commonly applied to uncover participants' perspectives and experiences, allows for a deeper understanding of core ideas and concepts (Creswell, 2014). The analysis process involved several steps: first, transcribing and reviewing the KII and FGD data for an overall grasp of the content; second, segmenting the data into meaningful parts; third, grouping similar data into themes; and finally, refining these themes to develop a clear understanding. This approach enabled a portrayal of peri-urban land expropriation and its impact on community livelihoods in peri-urban Bahir Dar City. Additionally, Geographic Information System (ArcGIS 10.4) was employed to analyze satellite images, illustrating Bahir Dar City's expansion over the specified period.

Image Classification

A supervised maximum likelihood algorithm was utilized to classify the satellite images, and to evaluate the accuracy of the resulting classifications, the User’s Accuracy, Producer’s Accuracy, Overall Accuracy, and Kappa coefficient were computed.

The kappa coefficient is calculated as follows:

$$\mathbf{K} = \frac{N\sum_{i=1}^{r} xii - \sum_{i=1}^{r}(xi+)(x+i)}{N^2 - \sum_{i=1}^{r}(xi+)(x+i)} \quad (1)$$

where K is Kappa coefficient, N is the total number of samples, r is the number of rows in the matrix, xii is the total number of correctly classified pixels (diagonals), xi+ are the marginal totals of row i, x+I are the marginal totals of column I (Yesuph & Dagnew, 2019).

Change Detection

Arc GIS 10.4 software was used to analyze and present the pattern and rate of change in land use land cover. As a result, a LULC matrix was computed for the years 2011 and 2021. To calculate the rate of change in hectares and percentage, the follow ing formula was employed:

$$Change\ in\ percent = \frac{X-Y}{Y} * 100 \quad (2)$$

$$Rate\ of\ Change\ (ha/year) = \frac{X-Y}{T} \quad (3)$$

where X is the area of LULC (ha) in the latest/final year, Y is the area of LULC (ha) in prior/initial year, and T is the time interval between X and Y in a year (Yesuph & Dagnew, 2019).

3.8 Validity and Reliability

Ensuring validity and reliability is crucial in this study to accurately analyze urban land acquisition, access, and policy frameworks for housing in Bahir Dar City. Each of the study's four objectives including urban land acquisition by expropriation, cooperative housing access, informal land acquisition, and policy barriers uses a carefully designed research approach to achieve this goal.

3.8.1 Validity

To enhance validity, content and construct validity measures were implemented. Content validity was ensured by choosing data collection methods, like Key Informant Interviews

(KIIs), Focus Group Discussions (FGDs), and Field Observations, that provide in depth insights on urban land acquisition and housing policy. Experts in urban planning, cooperative housing, and land management were selected as participants, while interview guides and FGD protocols were reviewed to confirm their relevance to the study objectives.

Construct validity was strengthened through triangulation, combining multiple data sources such as KIIs, FGDs, field observations, city reports, and policy documents. This approach cross validates findings and supports the accuracy of conclusions on land acquisition and housing provision challenges.

While specific to Bahir Dar City, the study's findings on cooperative housing and urban land acquisition challenges have broader applicability for other Ethiopian urban areas, especially in the Amhara National Regional State (ANRS), enhancing its generalizability.

3.8.2 Reliability

Reliability was ensured through consistent data collection procedures. A structured approach using interview guides was applied across KIIs and FGDs, covering the same themes for all participants. Purposive and stratified random sampling also ensured a representative range of perspectives on cooperative housing access.

Thematic analysis provided transparency in data interpretation by systematically coding and categorizing data from interviews and discussions. An audit trail was maintained through detailed notes on data collection dates, locations, and participant backgrounds, offering a traceable record that supports reliability.

These validity and reliability measures help provide a strong analysis of urban land acquisition and housing challenges in Bahir Dar City, ensuring findings are credible and relevant to broader urban planning contexts.

CHAPTER FOUR

RESULTS AND DISCUSION

4.1 Effects of Peri-Urban Land Expropriation on Peri-urban Farmers

This section of the study presents and analyzes the outcomes of the research, which encompass urbanization, urban land acquisition through expropriation, and their effects on the farming communities affected in the peri-urban areas of Bahir Dar City. Specifically, it focused on two peri-urban expansion *kebeles*, *Zenzenma* and *Addis Alem as the case*.

4.1.1 Urbanization in Bahir Dar City

a) Demographic Perspective of Urbanization of Bahir Dar City

Bahir Dar City has experienced substantial urbanization in recent years, marked by rapid increases in both population and spatial expansion. Over the past few decades, the city's urban population has grown significantly. According to the Bahir Dar City City Structure Plan report (Adam, 2014a), the urbanization rate in Bahir Dar City increased at an annual rate of 7% from 2017 to 2022. Table 1 below illustrates the trend of population growth in the city. This rise in urbanization may partly be due to the forced migration of individuals from other regions within the country, driven by ethnic based conflicts (BDCSPO, 2022).

Table 1. Bahir Dar City Population Growth from 2017 to 2022

Year	Bahir Dar City Population			Urbanization Rate
	Both Sexes	Male	Female	
2017	313,996	156,867	157,129	
2018	335,994	169,317	166,677	
2019	359,651	180,840	178,811	7% Average
2020	385,036	193,197	191,839	
2021	412,189	206,412	205,777	
2022	441,149	220,497	220,652	

Source: Bahir Dar City Stractural Plan Document, 2022

The city of Bahir Dar City, Ethiopia, has witnessed significant migration from northern, western, and southern regions of Ethiopia toward the Amhara region, with substantial impacts on its urbanization process. This influx has been fueled by forced migration, often due to conflicts and other socio-political challenges, with migrants seeking safer environments and economic stability in Bahir Dar City. As a result, the city has experienced a surge in population growth, leading to rapid urban expansion, both in population density and geographic coverage.

Studies in other African contexts reflect similar dynamics. For instance, Kleemann et al. (2017) highlighted those urban centers in Ghana, such as Takoradi, have seen rapid expansion due to population growth, economic development, and rural to urban migration, which in turn intensifies competition for land use. Likewise, Abubakar's (2021) study on Nigeria points out that rapid urbanization, coupled with unsustainable resource consumption, increasingly challenges land ownership and utilization patterns in urban areas.

Qualitative data from interviews and focus group discussions (FGDs) revealed that since 2018, Bahir Dar City's rapid urbanization has been significantly driven by forced migration linked to ethnic conflicts in other regions. As a result, Bahir Dar City has become an essential hub for displaced individuals, particularly urban migrants drawn to the city's perceived stability and opportunities. This trend not only increases demand for housing but also places substantial pressure on the city's limited land resources, complicating the urban land acquisition landscape and prompting a need for effective urban land management policies.

Ethiopia is one of the most rapidly urbanizing countries in the world, with a growing population moving to urban areas (Onur et al., 2015; Zhang et al., 2019). This trend is likely driven by the stronger socio-economic infrastructure in urban areas, which attracts people to migrate to urban centers. Observably, Ethiopia's urban areas are experiencing high growth rates in both population and land size. As the urban population rises, the land area occupied has expanded at an even greater rate; projections indicate that by 2030, the urban population in developing countries will double, while the land area covered by urban

areas will triple (Panda & Amaratunga, 2019). Current urbanization in Ethiopia has led to an increasing demand for land for residential, commercial, and other urban uses. This growth is primarily occurring horizontally, encroaching on peri-urban agricultural land.

b) Spatial Perspective of Bahir Dar City's Urbanization

This section examines the spatial growth of Bahir Dar City through an analysis of land use and land cover (LULC) classifications spanning from 2011 to 2022. By assessing these classifications, the study aimed to capture urban expansion patterns and assess the model's capability in differentiating distinct land types such as built-up areas, farmland, open spaces, vegetation, and water bodies.

Land Use Land Cover Change from 2011 to 2021

According to UN Habitat (2016), as urban populations grow, the land area they occupy often expands at an even faster rate. This trend is evident in Bahir Dar City, where built up areas have grown significantly over the past decade. As detailed in Table 4 below, the city's built-up land increased by 8.3% (or 1,778.2 hectares) from 2011 to 2022, marking the largest shift among all land use categories. Farmland, on the other hand, saw a decline of 7.7% (1,644.2 hectares) as urban expansion encroached on previously cultivated areas and vegetation covered zones. Other land use and land cover conversions were comparatively minor, each accounting for less than 3% of the total area. Specifically, built up areas increased from 10.5% of the total land area (2,238.6 hectares) in 2011 to nearly 19% (4,016.7 hectares) in 2022. This substantial growth in built up space highlights the impact of urban sprawl on agricultural and natural landscapes, underscoring the need for careful urban planning to balance development with the preservation of essential land resources.

Table 2. Land Use Land Cover Change from 2011 to 2022

					LULC Change between 2011 & 2021	
LULC	**2011**		**2021**			
Type	**Area (ha)**	**%**	**Area (ha)**	**%**	**Area (ha) per %**	
Built up	2238.6	10.5	4016.7	18.9	1778.2	8.3
Farm Land	13077.5	61.4	11433.2	53.7	1644.2	7.7

Open Space	1269.2	6.0	645.4	3.0	623.8	2.9
vegetation	4027.6	18.9	4235.8	19.9	208.2	1.0
Water Body	693.4	3.3	975.0	4.6	281.6	1.3
Total	21306.2	100.0	21306.2	100.0		

Source: researcher's analysis, 2022

During this period, farmland in Bahir Dar City declined from 61.4% (13,077.5 hectares) to 53.7% (11,433.2 hectares), a reduction that underscores the pressure on agricultural land as the city expands. Changes in other land use and land cover classes were minimal, each accounting for less than a 3% shift. Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) echoed these findings, with participants expressing concern over Bahir Dar City's rapid expansion and the conversion of vast peri-urban agricultural lands for urban development.

Supporting these observations, similar studies (Fitawok et al., 2020; Mpofu et al., 2018; Seto et al., 2011; UN Habitat, 2011) have shown that the spatial expansion of urban areas often outpaces population growth, as demand for land intensifies. This accelerated areal growth highlights the need for sustainable urban planning approaches to mitigate the impact on agricultural and peri-urban land holdings and to manage the competing demands of urbanization.

Additionally, the LULC maps (**Figures 3 and 4**) illustrate the spatial distribution of different land use and land cover types, revealing a noticeable shrinkage in farmland alongside the expansion of built-up areas. This conversion of agricultural land has predominantly occurred in the Zenzelma area to the east and the Addis Alem area to the west, aligning with the exit corridors of the Addis Ababa Gondar main road. These zones, situated along major transportation routes, have become focal points for urban expansion, as the city grows outward and reclaims peri-urban agricultural lands to accommodate increased demand for housing and infrastructure. This spatial pattern underscores the influence of transport corridors on urban development and highlights the strategic role of these areas in Bahir Dar City's expansion dynamics.

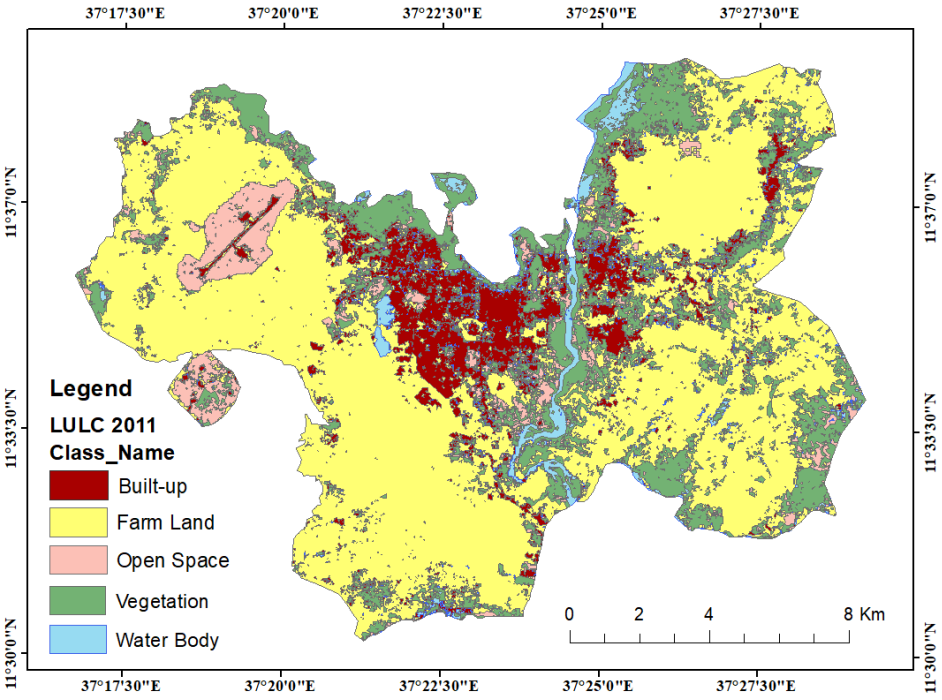

Figure 3. LULC Map of Bahir Dar City (2011)

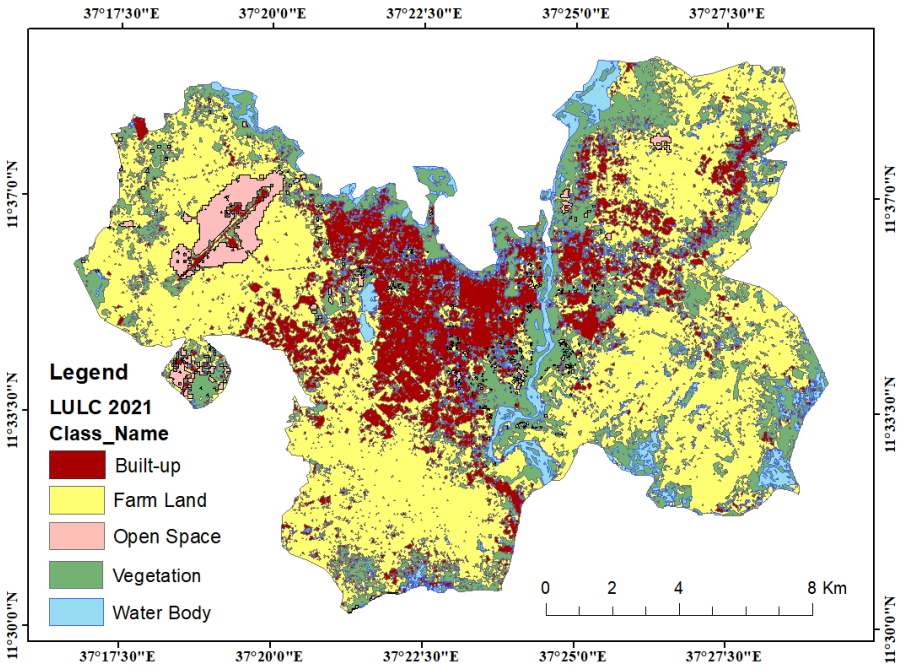

Figure 4. LULC Map of Bahir Dar City (2021)

The rapid population growth in Bahir Dar City has also contributed to substantial physical expansion, driven largely by the conversion of peri-urban agricultural land to urban use.

Focus group discussions confirmed this trend, with participants noting a rise in migrants approaching peri-urban farmers to acquire land through informal channels, often leading to the establishment of informal settlements in these areas. This phenomenon aligns with findings from studies in sub–Saharan Africa (Adam, 2014d; Larsen et al., 2019; Muhabaw & Gashu, 2019; Teklemariam & Cochrane, 2021), which report a widespread conversion of peri-urban areas to informal settlements as urban areas expand.

Similarly, a study in Mali (Neimark et al., 2018) highlighted that peri-urbanization involves rural populations moving away from farming and toward peri-urban areas, where land is relatively affordable. However, as local migration increases, even peri-urban land prices begin to rise, creating a complex dynamic of urban encroachment and rising land values. This trend underscores the pressure on peri-urban zones in Bahir Dar City, where increasing demand for land not only alters traditional land use patterns but also accelerates informal urbanization, challenging sustainable development and land management efforts.

According to the bid rent theory, land values tend to decrease with greater distance from central business districts (CBD) and major infrastructure corridors. In Bahir Dar City, rapid population growth has driven up the demand for urban land, particularly for residential purposes (Alonso, 2019; Chidi, 2019; Hou et al., 2021; Ng & Lo, 2015). However, limited availability of vacant land within the inner city has led to high land prices, making vertical development options accessible mainly to high income groups. Consequently, most low-income residents are pushed toward peri-urban areas, where land is more affordable due to lower infrastructure development and greater distance from the city center.

To accommodate this growing demand for residential land, the local government has increasingly relied on peri-urban land acquisition through expropriation. Focus group discussions and interviews revealed that local residents frequently lose agricultural land to government expropriation, often receiving minimal compensation. This practice has intensified urban sprawl in peri-urban zones, highlighting a critical challenge in balancing the needs of urban expansion with fair compensation and sustainable land management in these areas.

The findings revealed high classification accuracy in identifying built up areas and water bodies, underscoring the model's strongest in detecting established urban zones and natural features. In contrast, lower accuracy in mapping open spaces and vegetation highlights the complexities associated with tracking transitional zones, which are often impacted by urban sprawl and land use changes. These insights into Bahir Dar City's spatial transformation contribute valuable information for urban planning, guiding more sustainable development strategies to accommodate the city's rapid growth while preserving essential green and open areas.

In conclusion, Bahir Dar City has experienced significant urbanization in recent years, with both population growth and area coverage expanding rapidly. The rise in urbanization has been attributed to the forced migration of individuals from other regions of the country due to ethnic based conflicts. The city has become a crucial destination for urban migrants seeking better opportunities. This rapid increase in population has also led to a significant expansion in the city's physical size, particularly in the peri-urban areas surrounding the city, where agricultural land has been converted to urban use. This conversion has been driven by the expansion of built areas towards farmland and vegetation covered areas. The decline in farmland has been accompanied by a corresponding increase in built up areas, which has changed the spatial distribution of land use land cover types in the city. As Bahir Dar City continues to urbanize, it will be important to manage this growth sustainably to ensure that the city remains livable and economically viable for its residents.

4.1.1.1 Urban Land Demand Supply Dynamics for Housing in Bahir Dar City

In Bahir Dar City, where the population is growing at an annual rate of 7%, the demand for housing has intensified sharply. This rapid population increase exerts substantial pressure on available land, constraining the city's ability to deliver adequate and affordable housing. Although private housing developments constitute the majority of housing stock, high demand combined with limited access to land has created a significant shortage of affordable housing options. This shortage underscores the urgent need for effective urban planning and land management strategies to ensure sustainable growth and improve housing accessibility for all residents. Implementing these strategies is essential to address

the demand supply gap, optimize land use, and foster equitable housing opportunities in the face of Bahir Dar City's accelerating urbanization.

Table 5 shows a comprehensive overview of housing ownership and acquisition in Bahir Dar City, highlighting the distribution between government-owned and privately owned residential properties. Government-owned housing primarily consists of properties that were confiscated during the Derg regime, accounting for 3,250 units. In addition, there are 177 units allocated for low-income residents and 465 units managed by the Government Housing Authority.

On the other hand, private ownership dominates the housing sector in Bahir Dar City, with 35,556 individually built houses, including cooperative housing, representing the most common housing form. The private sector's involvement is also reflected in the development of 485 houses by real estate companies, as well as 3,567 condominium units, illustrating the increasing role of private developers in addressing the city's housing demand. This distribution underscores the growing reliance on private initiatives for housing provision, particularly as urbanization accelerates and the need for affordable housing intensifies.

Table 3: Total Housing stock of Bahir Dar City

Homes' ownership	**Mode of Acquisition**	**Quantity**
Government owned houses	Houses confiscated by the Derg	3250
	Pro poor people Houses	177
	Houses managed by the Government Housing Authority	465
Number of private houses	Individually built houses (Including Cooperative houses)	35,556
	Houses built by real estate developers	485
	Condominium residences	3567
Total number of residential houses in the city		**43,500**

Source: Housing Development and Administration Office (BDR Municipality), 2022

In conclusion, Ethiopia is experiencing a rapid urbanization process with a high growth rate in terms of population and land size. Urban areas are attracting people due to better socio-economic infrastructures and forced migration, particularly in the Amhara region. However, the current urbanization is resulting in increased and mounting demand for land for residential, commercial, and other urban land use purposes. As a result, peri-urban agricultural land holdings are being acquired formally and informally, mainly through government expropriation. The country's land tenure system allows the government to acquire land for public use and private investment, and while there are clear policies governing land use and management for rural and urban areas, informal land acquisitions are also occurring. Thus, the challenges of balancing the needs of urbanization with the protection of farmers' rights and sustainable land use practices are of utmost importance.

4.1.1.2 Peri-urban Land Acquisitions by Expropriation in Bahir Dar City

In Ethiopia, land for urban expansion is typically sourced from peri-urban agricultural landholders, both through formal and informal channels. According to studies by Abdo (2015), Muhabaw & Gashu (2019), and Temesgen Chanie (2020), formal land acquisition primarily occurs through government expropriation of land from farming communities with established landholding rights. The country's land tenure system permits the government to acquire land in peri-urban areas for public use and private investment, which is essential for meeting the growing demand for urban land as urban areas expand.

As Bahir Dar City experiences rapid urbanization, the demand for urban land has accelerated, driving up land prices and increasing the need for peri-urban land to be converted for housing development (Adam, 2015; Admasu et al., 2019; Ayele & Tarekegn, 2020). Peri-urban areas, located on the outskirts of urban centers, are typically home to smallholder farmers who rely on these lands for their livelihoods. In Ethiopia, the official method for acquiring land for urban growth is through expropriation, with compensation provided in advance to affected landowners (FDRE, 1995, 2019). While this process facilitates urban expansion, it often disrupts the livelihoods of rural farmers, creating social and economic challenges for peri-urban communities.

a) Policy Rationality of Land Acquisitions by Expropriation

The practice of expropriating peri-urban land for urban expansion has profound social and economic consequences for farmers in these areas, as well as for the broader community. Studies conducted in Ethiopia and Botswana (Agegnehu & Mansberger, 2020; Lekgori & Paradza, 2019; Wubneh, 2018) have highlighted the negative impact of such urban land acquisition on the livelihoods of peri-urban farmers. These farmers, who typically rely on their land for subsistence farming and income generation, face significant challenges when their land is expropriated for urban development.

In response to the increasing demand for urban land, the Ethiopian government has employed various methods of land acquisition, with expropriation being the most commonly used. According to the land tenure system outlined in Article 40 of the 1995 FDRE Constitution, the government holds ownership of all land, and it is empowered to provide land to investors at an appropriate cost (Art 40(6)). Additionally, the government has the authority to seize private property, including developed land, for public purposes, as long as the owner receives compensation proportional to the value of the property (Art 40(8)). While this legal framework facilitates urban expansion, it also creates tensions, as it disrupts the livelihoods of rural populations and raises concerns about the adequacy of compensation. Likewise, Art 40 (7) says:

> *"Every Ethiopian shall have the full right to the immovable property he builds and the permanent improvements he brings about on the land through his labor or capital. This right shall include the right to alienate, to bequeath and where the right of use expires, to remove his property, transfer his title, or claim compensation for it."*

In 2005, the Ethiopian Federal Government enacted a separate proclamation (Proc. No. 455/2005) followed by a regulation (Regu. No. 135/2007) to guide the processes of expropriation and compensation for landowners, which was intended for implementation by the respective regional governments (FDRE, 2005). These legal frameworks provided a standardized approach to land acquisition across the country.

Building on the authority granted by these proclamations and regulations, the Amhara National Regional State (ANRS) introduced its own regulations to manage expropriation and compensation in the region. Specifically, Regulation No. 51/2007 (ANRS, 2007) established the general procedures for expropriation and compensation, covering key aspects such as eligibility for compensation and the calculation of land value. Later, the regional government further refined these guidelines with Regulation No. 5/2011 (ANRS, 2011), which provided more detailed directives for the expropriation process in both peri-urban and rural areas. These regulations aimed to ensure fairness in compensating landowners while enabling the government to facilitate urban expansion and development. However, despite the regulatory framework, challenges related to compensation adequacy and the social impacts on affected communities remain significant concerns.

b) Process and Procedures of Peri-urban Land Acquisitions by Expropriation

Despite the formal five step expropriation process outlined in **Figure 5**, the local municipality of Bahir Dar City often bypasses or undermines certain steps, which limits the involvement of landowners in decision making. Focus group discussions (FGDs) and key informant interviews (KIIs) revealed that farmers are often pressured by local leaders to relinquish their land without receiving a proper explanation of the expropriation process. Those who question or resist the decision are frequently labeled as opponents of development, which stifles their ability to advocate for fair treatment. Consequently, farmers who reluctantly accept the expropriation are often compensated less than those who challenge the process.

This practice of inequitable compensation has been highlighted in studies by Agegnehu & Mansberger (2020), Alemu (2013), and Dires et al. (2021), which argue that the compensation provided to affected farmers is not equivalent, even among those from similar backgrounds. Furthermore, farmers have minimal involvement in the decision-making process regarding their land expropriation, which contributes to their sense of disenfranchisement. Although the formal process is meant to ensure fairness and transparency, the reality for many peri-urban farmers in Bahir Dar City is that they are left with limited options, often forced to comply to avoid greater hardship.

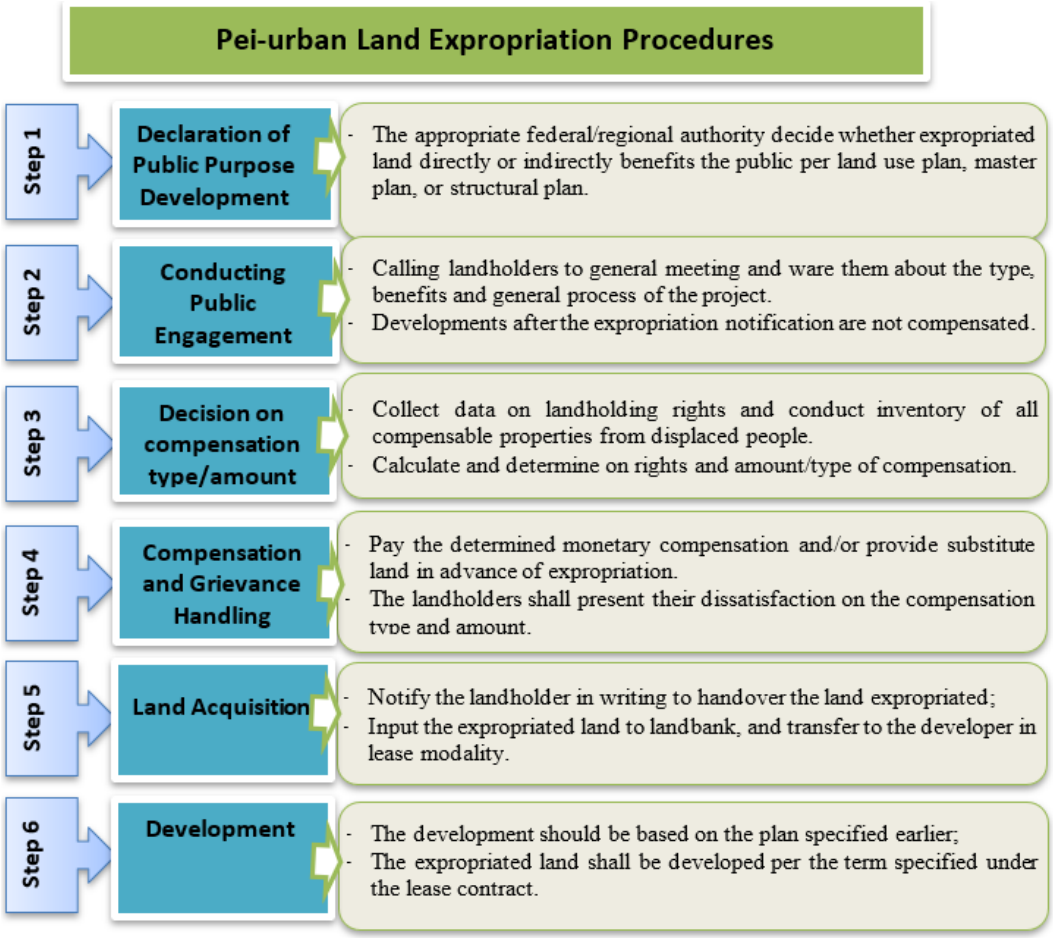

Figure 5: Peri-urban Land Expropriation process in Bahir Dar City per the FDRE Proclamation 455/2005 and 1161/2019

In Bahir Dar City, the expropriation process for urban land acquisition includes specific considerations for compensating peri-urban farmers who relinquish their landholdings. According to current expropriation and compensation proclamations, these farmers are entitled to compensation that reflects the full, fair value of their property. Directives stipulate that compensation calculations should be based on the market value of each property, taking into account all permanent developments or improvements made on the land.

To ensure a comprehensive valuation, a range of formulas and criteria are applied, which cover diverse property types and assets. These include residential structures, warehouses, agricultural fields with cereal crops, and tree crops such as mangoes, khat, and coffee.

Additionally, compensation assessments account for plantations (eucalyptus, Cordia Africana), essential infrastructure like irrigation systems, and soil and water conservation efforts that enhance land value. Each of these improvements contributes to the property's overall worth, ensuring that landholders receive equitable compensation in line with the extent and type of investment they have made in their land.

c) Parameters of Compensation for Land Expropriated

The is standardized directive provided for the compensation formulae for peri-urban and rural landholdings as a cost recovery-based compensation. These are:

i. When DC is for less than one year period: DC = (cC+ppC+gC)
ii. When the DC is from one to five years period: DC = (cC + ppC + gC) K
iii. When the DC is for six years and above or permanently: DC = (cC + ppC + gC)15

Where DC displacement compensation, cC (crop compensation), ppC (perennial or permanent plant (tree crop including eucalyptus) Compensation), gC (protected grass and crop residue (fodder crop) Compensation), and K is the number of displacement years. It is worth noting that, in the case of formula three (iii), for each specific compensation, the average annual income the landholder secured in the past five years before the expropriation year is taken (that means, the average crop yield of the land over the past five years is considered as the land's productivity for compensation purposes). In addition, if the reap perennial plant is a eucalyptus tree, it (ppC) will be multiplied by three (the concept is rooted in the idea that eucalyptus trees can be harvested every five years for utilization). On the other hand, displacement compensation is not allowed for landholders who received surrogate land.

Since 2011, various calculation methods and considerations have been applied to determine the compensation provided to peri-urban landholders affected by expropriation in Bahir Dar City. According to Bahir Dar City Land Development and Management Bureau and Rural Land Development Bureau (2019), the standard formula used includes several specific parameters: it involves multiplying the land area in hectares (ha) by the current market price (in quintals) of the crops grown on the land, alongside the average income

generated from these crops over a five-year period. This result is then multiplied by 15, reflecting the number of years considered in the compensation framework.

This formula has led to different compensation amounts over time, influenced by shifts in crop market prices and variations in productivity. By anchoring these calculations in real time market conditions and average yields, the compensation method aims to offer fair value to landholders, reflecting both the economic productivity of the land and the anticipated income losses due to expropriation. Consequently, cash payments have been made to expropriated landholders at different rates across various periods, adapting to fluctuations in crop values and land productivity.

As detailed in Table 6, compensation rates for expropriated land in Bahir Dar City have evolved significantly over time. Prior to 2011, expropriates received a compensation rate of 8 Ethiopian Birr (ETB) per square meter (m^2). This rate rose to 12 ETB/m^2 between 2011 and 2013, with compensation calculations initially based on the valuation of two main crops, maize and finger millet. Field observations and responses from focus group discussions (FGDs) and key informant interviews (KIs) with local farmers during this period revealed that land prices in the informal market were roughly similar across much of the study area.

From 2014 to 2015, the valuation method was expanded to include a third crop, teff, with the compensation rate increasing to 25 ETB/m^2. During this period, the FGDs also noted that for certain public projects, such as the expansion of Bahir Dar City Airport in *Weramit* Kebele, the government offered compensation at the 25 ETB/m^2 rate. However, local stakeholders remarked that this rate was considerably lower than the prevailing informal market price.

Starting in 2016, the responsibility for estimating compensation shifted to the city's agricultural office, which further refined the valuation criteria by increasing the number of crops considered to five, adding barley and wheat. This shift reflects an ongoing adjustment to compensation formulas in an attempt to more accurately represent agricultural diversity and market trends, though the formal compensation rate has often trailed behind the informal market rate, as perceived by affected landholders.

Table 4: The Amount of Compensation Given to Expropriates in Peri-urban Bahir Dar City

Year	Crop Type	Price/ha (ETB)	Price/m² (ETB)
Before 2011	Maize and finger millet (Eleusinian coracan)	80,000	8
2011 13	Maize and Finger millet	122,100	12
2014/15	Maize, finger millet, Teff (Eragrostis Teff)	250,122	25
2016	Maize, finger millet, Teff, barley, wheat	475,460	47.5
2017	Maize, finger millet, Teff, barley, wheat	540,260	54
2018 21	Maize, finger millet and Teff	530,700	54
2022	Maize, finger millet and Teff	995,062	99.5

Source: Bahir Dar City Land Development and Management Office, 2022

Notes: *ETB refers to Ethiopian Birr (local currency) and has the average value with respect to USD at different times becomes: 1ETB = 0.0592 USD or 1 USD = 16.9 ETB (in 2011); 1 ETB = 0.0365 USD or 1 USD = 27.4 ETB (in 2018); and 1 ETB = 0.0365 USD or 1 USD = 43.5 ETB (in 2021) or 1 USD = 51.5 ETB (in 2022)*

According to the 2022 report by the Bahir Dar City Land Development and Management Office (as presented in Table 6), if landholders or their households have existing residential structures on expropriated land, they are eligible to receive a specific allocation of surrogate land as part of their compensation. Adult landholders are granted 250 m² of replacement land, while children receive 100 m², in addition to compensation reflecting the estimated land value. In 2016, compensation was valued at 47.5 ETB/m², which rose to 54 ETB/m² in 2017. In 2018, despite a reduction in the number of considered crops from five back to three, the compensation rate remained steady at 54 ETB/m².

Research by Ambaye (2012) highlights a significant disparity between public and private land valuations for expropriation purposes, with private and informal land transaction values often exceeding public valuation rates by five to twenty-seven times. Findings from focus group discussions (FGDs) and key informant interviews (KIs) also reflect this discrepancy. In the informal market, land prices in peri-urban Bahir Dar City range widely, from approximately 60 ETB/m² in remote areas to as high as 12,000 ETB/m² along main roads within established, infrastructure rich areas. This price gap underscores the

substantial difference between government issued compensation and private market valuations, leading to dissatisfaction among expropriated landholders.

In discussions on expropriation and compensation, focus group discussions (FGDs) and key informant interviews (KIIs) highlighted several critical issues: unfair property valuation, insufficient compensation, and a lengthy, burdensome process. Informants voiced concerns that the compensation system lacks equity, particularly noting that farmers engaged in non-crop related activities—such as poultry, ranching, and dairy farming—are excluded from compensation consideration.

Supporting this view, scholars such as Dires et al. (2021) and Gemeda et al. (2023) argue that compensation for peri-urban land expropriation in Ethiopia does not aim to fully compensate landholders for their entire economic loss. Instead, it functions symbolically, simply acknowledging the expropriation rather than providing full economic restitution. Moreover, as Kosa et al. (2017) emphasize, when land is converted for urban purposes, its value can increase by as much as 30 times, with this added value ultimately benefiting the government rather than the displaced landholders.

This study concludes that the acquisition of peri-urban land for housing in Bahir Dar City is happening at the expense of local farmers, who receive insufficient compensation that fails to reflect the true economic impact on their livelihoods. In contrast, informants observed that land sales in the informal market tend to be fairer and conducted with greater mutual understanding, further underscoring the disparity between official compensation practices and informal market valuations.

Similarly, the researcher's observations and data from FGDs and KIIs in areas close to established urban zones and main roads indicate that, due to the high demand for land and relatively low formal compensation, landholders are increasingly selling portions of their land in the informal market. This trend aligns with broader findings in Ethiopian urban studies, which link the rise of informal settlements to inadequate compensation practices. Research by Adam (2014a) and Oduro & Adamtey (2018) reveals that insufficient compensation often compels farmers to sell their land informally, where they can receive five to twelve times the formal compensation rate offered by authorities.

This dynamic has driven the proliferation of informal settlements, as informal buyers are often willing and able to pay significantly more than the formal compensation rates. Consequently, the mismatch between formal compensation and market driven demand for land is a primary factor behind the expansion of informal settlements in Ethiopia's urban areas.

In earlier years, land prices were generally low, especially in areas located further from the city center, existing built-up zones, and main roads. These areas were originally rural in character but have since transformed into peri-urban zones due to urban expansion. Participants in the FGDs noted a dramatic escalation in land prices over time, with land values "rocketing up and up" compared to previous years. This rapid increase means that parcels of land, once sold, are often resold multiple times at progressively higher prices.

Some participants expressed concern about the particularly high land rates now seen in peri-urban kebeles like Addis Alem (Sebatamit), where demand and development pressures are driving prices to unprecedented levels. This rising trend in land prices threatens to consume available farmland, posing a risk to local agricultural production and food security. For many, this shift not only signals the diminishing availability of land for farming but also highlights the challenges of balancing urban growth with the preservation of agricultural spaces.

In conclusion, the rapid urbanization of Bahir Dar City has intensified the demand for urban land, leading to widespread expropriation of peri-urban landowners, many of whom rely on their land as a primary source of livelihood. In Ethiopia, the government primarily acquires land through expropriation, the most frequently used method to facilitate urban expansion. Under the 1995 FDRE Constitution, citizens are assured the right to property and fair compensation when land is expropriated, with supplementary proclamations and regulations providing guidelines on the processes of expropriation and compensation.

Compensation calculations involve multiple factors, including the nature of permanent developments or improvements on the land and the landholder’s average income over the five years preceding expropriation. Over time, compensation rates for expropriated land in Bahir Dar City have seen incremental adjustments, increasing from 8 ETB/m² to 25

ETB/m², as both land values and urban land demand have risen. Despite this, compensation has often lagged behind informal market values, prompting dissatisfaction among expropriated landholders.

While expropriation plays a critical role in supporting urban development, this study underscores the importance of addressing the socio-economic needs of peri-urban farmers and the broader community. Ensuring a fair and transparent compensation process is essential to balancing the city's growth objectives with the preservation of livelihoods, fostering a just and equitable approach to urban expansion.

d) Social economic effects of Peri-urban land expropriation on the farmers

Urban expansion can bring both positive and negative impacts, influencing the socio-economic landscape in various ways. While such growth has the potential to spur economic progress, it can also result in significant challenges, particularly in peri-urban areas where development often proceeds without formal planning or is marred by informal land invasions.

On the positive side, urban expansion can boost economic output, create job opportunities for the underemployed and unemployed, and improve overall quality of life by increasing access to improved amenities, services, and diverse livelihood options. This growth enables broader access to both essential services, such as transportation, sanitation, and water supply, and more specialized services, including educational institutions and healthcare facilities, ultimately enhancing the wellbeing of a larger population (Bhatta, 2010).

However, when urban expansion is poorly managed, it tends to bring adverse effects. Unplanned development can disrupt the socio-economic stability of peri-urban communities, leading to issues like displacement, reduced agricultural land, and strained infrastructure. These negative impacts highlight the need for thoughtful planning to balance growth with sustainable resource management and to ensure that peri-urban development contributes positively to both the city and the communities it affects.

Before expropriation, peri-urban farmers in Bahir Dar City rely on a diversified agricultural lifestyle, with their livelihoods rooted in crop cultivation, animal husbandry, and the

cultivation of fruits and perennial plants. According to insights from FGDs, KIIs, and the researcher's extensive observations, these farmers sustain themselves through the production of staple crops such as maize, finger millet, teff, sorghum, and barley. They also engage in dairy farming, poultry production, and livestock fattening, including oxen and sheep.

Proximity to the city further allows these farmers to cultivate vegetables and fruits, as well as cash crops and trees that are in demand locally. Notably, *khat*, *gesho*, and eucalyptus trees are commonly grown in the area. This variety of agricultural activities highlights the multi-faceted nature of their livelihoods, where crop production is complemented by other income generating activities. However, it is notable that many of these non-crop agricultural activities, which contribute significantly to their economic stability, are often overlooked in compensation assessments during expropriation. This omission underscores a gap in the expropriation process, where the full scope of agricultural livelihoods is not adequately valued, leaving farmers without fair recompense for all aspects of their productive activities.

The compensation provided for the expropriation of peri-urban agricultural land in Bahir Dar City primarily covers the costs related to crop production and perennial plants. However, significant aspects of farmers' livelihoods, such as dairy farming, ox fattening, and poultry farming, which also contribute to their economic wellbeing, are not considered in the compensation process. This omission has led to considerable dissatisfaction among the farmers, who feel that the compensation does not adequately reflect the full range of their economic activities. The limited scope of compensation not only undermines the livelihoods of the affected farmers but also fails to account for the broader economic contributions they make through diverse agricultural practices. As a result, farmers perceive the compensation process as unfair, deepening their sense of discontent and highlighting a critical gap in the expropriation framework. This can be seen in the reflection in the following interview.

> "…… *My 1.5-hectare land was expropriated in 2016 for industrial use. The municipality compensated me with 540,000 ETB, which I felt was inadequate.*

> *Despite not opposing the expropriation, I was accused of being against development. I received compensation equal to two years of income from milk sales and oxen fattening, but I estimate the loss to be closer to two million ETB. As a result, I had to sell my cows, live in a rented house, and feel isolated from my community. This loss of land, which had been passed down through generations, is a source of great sadness for me.* …" (An expropriated farmer Interviewee, February 05, 2022)

After expropriation, many farmers in Bahir Dar City who lost their land were forced to sell their cattle, rent homes in the city, and transition from a rural to an urban lifestyle. This shift marked a significant change in their socio-economic lives, as they strived to establish new livelihoods in the urban environment. For many, this meant the loss of traditional social networks and support systems, such as *equib* and *edir*, which they had previously relied on for sharing resources during both good and bad times. In the process, these displaced farmers felt disconnected from their communities and struggled to maintain the social structures that were once integral to their lives.

The farmers shared that, despite their efforts, they faced significant challenges in adapting to the new urban social framework. They found it difficult to integrate into urban social life and were unable to flourish in the new environment, where social interactions and support systems are vastly different from those in rural areas. This disconnection further exacerbated their sense of loss, as they struggled to navigate their survival in an unfamiliar setting.

Previous studies by Agegnehu & Mansberger (2020) and Dires et al. (2021) have affirmed that the compensation provided for peri-urban land expropriation is often perceived as unfair and inadequate. Moreover, the expropriation procedures are frequently not followed as required by law. As a result, displaced farmers are left with little choice but to begin a new life in the city with insufficient compensation, without any government assistance to help them sustain their livelihoods. This lack of support compounds the difficulties these individuals face as they try to feed their families, pay rent, and establish themselves in an

urban context, struggling to adapt to a way of life that is completely different from what they had known in their rural communities.

As a result of displacement, the livelihoods of farmers become increasingly uncertain. Some resourceful farmers are able to adapt to the urban socio-economic environment and find ways to revive their livelihoods, while others, overwhelmed and unprepared for the drastic change, quickly exhaust their compensation and end up leading uncomfortable lives. According to the interviewees, many of the displaced farmers who spent their compensation funds quickly are now living in far worse conditions than before, struggling to meet basic needs and adjust to their new circumstances.

The study reveals that the expropriation of peri-urban land for housing, both formally and informally, has profound and often negative effects on the socio-economic lifestyles of the affected farmers. While a small number of displaced individuals may manage to adjust to urban life, the vast majority experience significant hardship. The primary issue is the loss of agricultural land, which is compensated based on a calculated crop value over a fifteen-year period, even though the Ethiopian Constitution grants citizens an indefinite right to hold land for agricultural purposes. This compensation scheme fails to account for the long-term value of their land and the full scope of their livelihoods.

In addition to the loss of land, these farmers are forced to sever ties with their familiar rural lifestyles. They must adapt to urban living, which is often vastly different from the rural life they once knew. Competing with urban residents for jobs and resources can be difficult, especially when they are unaccustomed to the city's economic demands. As a result, many find themselves relegated to lower income occupations, further cementing their status in a lower socio-economic class. The consequences of land expropriation, therefore, not only disrupt the economic stability of peri-urban farmers but also force them into a challenging and often degrading transition into urban life.

4.1.2 The Practice of formal land acquisition for cooperative Housing in Bahir Dar City

Ethiopia's land tenure system is based on state ownership, where the government holds all land, both urban and rural, while granting citizens use or holding rights (FDRE, 1995). The government has the authority to expropriate land but compensates only for improvements made on the land, not its intrinsic value (FDRE, 1995, 2019). As a result, landholders lose land without receiving compensation for its market value, with compensation limited to physical developments, such as buildings or crops.

In urban areas, land is managed through a lease system, with lease terms varying by land use. For example, urban agricultural leases are typically granted for 15 years, while residential leases can extend up to 99 years (FDRE, 1993, 2002, 2011). This system allows the government to maintain control over land while granting landholders temporary rights to use the land. However, short lease durations for agricultural purposes pose challenges to landholders seeking long term stability and compensation.

Municipalities in Ethiopia hold ownership over all urban land, which is divided into administrative and planning boundaries. The administrative boundary defines the municipality's jurisdiction, while the planning boundary includes peri-urban areas designated for future development. Peri-urban areas, though within the planning boundary, are still governed by rural land administration and primarily used for agriculture. Unlike urban land, which is governed by lease agreements, rural land is not subject to time limits, offering farmers long term, sometimes indefinite, rights. This distinction creates challenges when peri-urban land is expropriated for urban development.

Scholars have criticized the Ethiopian land tenure system, particularly its treatment of urban and rural land and the compensation offered during expropriation. Mohammed (2018) argues that compensating peri-urban landholders based on 15 years of crop value, when their land is reclassified as urban, is unjust. The compensation does not reflect the land’s market value after urbanization, disadvantaging farmers. Other scholars, such as Adam (2014b) and Wubneh (2018), criticize the urban lease policy, which primarily

benefits high income groups through an auction-based system, limiting access to land for low- and middle-income households and exacerbating social inequality.

In light of these issues, there is a call for reforms in land tenure to ensure more equitable land expropriation and urban development policies. The most recent lease proclamation outlines two methods of land transfer: allotment and tender (Urban Land Lease Holding Proclamation No. 721/2011, 2011). Allotment allows land to be transferred at a benchmark lease price, while tender involves auctioning land to the highest bidder. Government approved self-help cooperative housing programs are eligible for land transfer through allotment, and the Amhara National Regional State issued Regulation No. 9/2013 to facilitate affordable housing through cooperative housing schemes.

Regulation 9/2013 aims to promote affordable housing for low- and middle-income urban residents by facilitating the provision of serviced land to housing cooperatives. The regulation defines procedures, criteria, land plot sizes, and housing standards for cooperative housing. For instance, prospective members must have lived in the town for at least two years, must not own land or a house, and must demonstrate financial capability to cover land compensation and construction costs. A cooperative must consist of 14 to 24 members for metropolitan areas like Bahir Dar City.

The regulation also specifies that the municipality is responsible for providing serviced land. However, the process of land allocation has faced delays. In interviews, cooperative organizers and members revealed that land allocation was often delayed by more than four years, with cooperatives certified in 2018 receiving land only in 2022. The regulation sets land plot sizes based on population, with land allocated between 100 m^2 and 150 m^2 for urban areas with populations over 100,000, like Bahir Dar City. Housing standards vary from mud and wood houses in smaller urban areas to G+1 villas in larger urban areas.

However, concerns have been raised regarding the small size of land plots and the affordability of construction standards. The land plots, which are much smaller than the average residential plot size in Sub Saharan Africa (591 m^2), are seen as insufficient for green space and impractical for low-income residents. Additionally, the G+1 building

requirement is considered unaffordable. As a result, many cooperative members are forced to sell their land before completing their homes.

Overall, while the formal land acquisition process for cooperative housing in Bahir Dar City is based on the lease proclamation and Regulation No. 9/2013, the policy faces criticism. The stringent eligibility criteria, small land plots, and costly construction requirements have undermined the program's goal of providing affordable housing for low- and middle-income residents. Consequently, only a fraction of eligible individuals can access land under this scheme, leaving many without affordable housing options.

4.1.2.1 Land Delivery Practice Scenario

In Bahir Dar City, the initial approach to providing land for housing involved the permit modality, where private house developers were granted land to construct homes. However, this process faced significant challenges, including malpractices and shortcomings within the lease holding framework of Proclamation 272/2002. According to Gebremichael (2017), these issues led to a suspension of all land transfer modes from 2006 to 2013. This pause was essential to address the problems and to establish a more transparent and efficient system for land distribution.

While this hiatus aimed to improve the process, it resulted in a significant backlog in the demand for urban land, as the population continued to grow at a rate of 5.4% annually (CSA, 2013b; Onur et al., 2015). This demographic growth compounded the challenges faced by Bahir Dar City, as the available land supply could not meet the increasing demand for housing.

In response to these issues, Proclamation 272/2002 was revised by Proclamation 721/2011 in 2011 to improve land delivery mechanisms. Subsequently, the Amhara National Regional State (ANRS) introduced a new regulation in 2013 to allocate land for cooperative housing programs, further addressing the city's land supply and housing challenges (ANRS, 2013). This shift towards cooperative housing aimed to ensure a more equitable and organized distribution of land, particularly for low- and middle-income

households, in an effort to alleviate the housing shortage exacerbated by rapid population growth and the previous delays in land distribution.

Since the enactment of the regulation in 2013, which introduced a structured approach to cooperative housing allocation, residents of Bahir Dar City and its surrounding satellite towns namely Meshenti, Zegie, and ChisAbay have actively participated in forming housing cooperatives. This regulation has enabled residents to organize themselves, register as cooperative groups, and acquire formal certification to apply for residential land. The cooperative housing program has become an essential mechanism for addressing the increasing demand for housing driven by rapid urbanization in Bahir Dar City.

The cooperative housing scheme has shown significant growth over the years. Between 2014 and 2022, the municipality certified 1,618 housing cooperatives, involving a total of 35,512 members. During this same period, the municipality allocated 31,596 residential land plots to these cooperatives across Bahir Dar City and its satellite towns. This figure demonstrates the substantial impact of the cooperative housing model on land distribution in the area, as it allowed thousands of residents to acquire secure, legally recognized plots for residential development.

A closer examination of the certified cooperatives and the land allocation data, as detailed in Table 7, reveals further insights into the program's scope. Out of the total certified cooperatives, 297 cooperatives, consisting of 6,320 members, were based in the satellite towns, while the remaining 1,321 cooperatives, with a membership of 25,276 individuals, were certified within Bahir Dar City itself. This breakdown highlights the participation of residents both in the city and in surrounding peri-urban areas, showcasing a widespread commitment to cooperative housing as a means to access affordable urban land.

The data underscores the high level of community engagement and the benefits extended to numerous residents through the cooperative housing scheme. By facilitating access to residential plots, the municipality has allowed many individuals to secure land, thereby contributing to urban growth in a structured and participatory manner. This cooperative system also reflects a proactive approach to urban planning by involving residents in land

acquisition processes, which may help mitigate informal settlements by providing legitimate housing opportunities.

This initiative is particularly relevant in the context of Bahir Dar City, where housing demand has surged due to population growth, projected at an annual rate of 5.4%. The cooperative model represents a potential solution to the challenges of urban land supply by enabling organized, community driven land acquisition. Furthermore, the certification and transfer of land to these cooperatives exemplify the municipality's efforts to manage urban expansion sustainably.

Insights from key informant interviews (KIIs) with officials and experts from Bahir Dar City's urban land management and cooperative offices reveal that the organization and certification of housing cooperatives faced a significant four-year hiatus, starting in 2014. This interruption was primarily driven by the discovery of corruption within both the cooperative formation and land allocation processes. During this period, the cooperative system, originally intended to facilitate organized and fair land distribution, was compromised by malpractice, which affected the integrity and transparency of the land allocation process. Recognizing the gravity of the issue, the Amhara National Regional State issued a circular letter to municipalities, including Bahir Dar City, advising them of the widespread corruption issues and stressing the urgent need for corrective actions.

This pause in land delivery allowed the authorities to closely scrutinize and rectify the flawed procedures in both cooperative organization and land distribution. The objective was to address gaps in oversight, ensure accountability, and restore public trust in the cooperative system. The data presented in Table 7 highlights this trend, showing that in 2014, prior to the hiatus, a total of 207 cooperatives, encompassing 4,412 members, were certified. Among these, 204 cooperatives (with 3,155 male and 1,190 female members) successfully received housing plots within that year, while three cooperatives, comprising 67 members, were placed on a waiting list for land allocation in the following year.

During the pause in 2015, 2016, and most of 2017, no new cooperatives were formed or certified, reflecting the municipality's commitment to reevaluating and reforming the process. However, in a special instance in 2017, eleven cooperatives were certified, adding

to the waiting list and bringing the total of pending housing cooperatives to fourteen. This waiting list emphasized the impact of the interruption, as cooperative members had to delay their housing projects.

A turning point came in 2018, when reforms and strengthened oversight mechanisms resulted in a surge in cooperative activity. This year saw a marked increase in the formation and certification of self-help housing cooperatives, with a total of 1,296 cooperatives certified. This resurgence reflects a concerted effort by the municipality and regional government to revive the cooperative housing initiative with renewed transparency and improved governance, addressing the accumulated demand and reestablishing the cooperative model as a legitimate and organized pathway for land access in Bahir Dar City.

Though, land acquisition experienced a temporary halt from 2014 to 2019, 54 housing cooperatives were certified under special circumstances. In that period, 290 cooperatives (consisting of 4,151 male members and 1,996 female members) received land plots for housing. The size of the land allotted to each member reduced from 150 square meters in 2014 to $100m^2$. Moving forward, in 2020, 47 housing cooperatives (comprising 713 male members and 337 female members) were certified, and 528 self-help housing cooperatives (with 7,370 male members and 3,821 female members) received 100 square meter plots of land. However, no cooperatives were formed, and no land was provided in 2021.

According to key informants, in light of the 2014 allocation of $150m^2$ land plots, the Amhara National Regional government issued a circular letter to all municipalities in the region, including Bahir Dar City. The objective was to reduce the size of land allocated to cooperatives from $150m^2$ to $100m^2$. This decision stemmed from the substantial increase in demand for cooperatives, surpassing the government's capacity to provide serviced land. The adjustment was deemed necessary to manage the overwhelming demand and ensure efficient utilization of available land resources. In 2022, no new cooperatives were formed, but 469 backlogged certified cooperatives (with a total of 6,495 male members and 3,418 female members) were provided land plots, with the land size restored to $150m^2$.

Overall, the organization and certification of self-help housing cooperatives in Bahir Dar City primarily occurred in 2014 and 2018, with some certification taking place in 2017,

2019, and 2020. Land plot provision took place in 2014, 2019, 2020, and 2022, with the land size varying between 100 and 150m^2. It is noteworthy that almost all of the certified cooperatives were able to acquire land plots ranging from 100 to 150m^2. The first 204 cooperatives, consisting of 5,345 members; as well as the cooperatives certified in 2014 (469 cooperatives with 9,913 members), received 150m^2 plots of land, while the remaining 17,338 members of housing cooperatives in Bahir Dar City were allotted 100 square meter plots for housing. According to Alemieneh (2022), The land plot size allocated for housing cooperatives in Bahir Dar City is nearly one fifth of the average residential urban land plot size of the Sub Saharan Africa, which is 591m^2. This size does not provide sustainable access to green exposure and open space within residential home compounds.

Table 5: Housing Cooperatives Certification and land provision from 2014 to 2022

Certified housing cooperatives b/n 2014 2022					**Land provision between 2014 and 2022**				
Certification Year	Number of Certified Housing cooperatives	Number of members			Year of land provision	Number of Housing cooperatives	Number of members		
		Male	Female	Total			Male	Female	Total
2014	207	3196	1216	4412	2014	204	3155	1190	**4345**
2015					2015				
2016					2016				
2017	14	153	96	249	2017				
2018	1296	18851	9676	28527	2018				
2019	54	823	454	1277	2019	290	4151	1996	**6147**
2020	47	713	337	1050	2020	528	7370	3821	**11191**
2021					2013				
2022					2014	469	6495	3418	**9913**
Total	**1618**	**23732**	**11779**	**35512**	**Total**	**1491**	**21,171**	**10,425**	**31,596**

Source: Bahir Dar City Land Development and Management Office, 2022

In conclusion, the cooperative housing scheme's land delivery system in Bahir Dar City has successfully provided land to over 31,000 cooperative members. However, it is worth noting that the potential demand far exceeds this number, with over 80,000 low- and middle-income households in the city, as reported by the city's cooperative office. Additionally, the small land plot size is another challenge that limits beneficiaries' access to additional service areas such as greenery and open space. Moreover, the cost intensive nature of the land price and the overall process has been reported as unaffordable for the majority of the intended beneficiaries, the cooperative members.

4.1.2.2 The barriers hampering the cooperative housing scheme in Bahir Dar City

a) Backlog Housing Demand

The cooperative housing scheme introduced in Bahir Dar City in 2014, intended to provide affordable housing for low and middle income groups, encountered multiple challenges that limited its effectiveness. Foremost among these was the excessive demand for housing, which outstripped the municipality’s ability to deliver serviced land. This issue was compounded by a backlog of demand from 2006 to 2013, a period during which land delivery had been suspended due to the shortcomings of lease proclamation 272/2002. This proclamation, perceived as inefficient and inadequate, delayed land allocations until a stronger legal framework was introduced through proclamation 721/2011, followed by a cooperative housing regulation. Despite these changes, high urbanization rates driven by both rural to urban migration and natural population growth continued to exert immense pressure on the housing system.

Insights from key informant interviews (KIIs) highlight that when the cooperative housing scheme was finally launched, the program faced immediate barriers. The sheer number of applicants in urgent need of housing created substantial screening challenges, complicating efforts to accurately verify eligibility. In some instances, individuals were able to exploit gaps in the system and secure land allocations fraudulently, effectively sidelining genuinely eligible residents. This loophole not only undermined trust in the cooperative model but also limited its capacity to serve its intended demographic.

Supporting this observation, scholars like Adam (2014a), Liu et al. (2023), and Sen (2017) argue that high urban housing demand especially when formal mechanisms are inadequate tends to push residents toward informal solutions. In many cases, this includes engaging in unauthorized or irregular land acquisition practices. In Bahir Dar City, this phenomenon has manifested in the form of informal land acquisition within and around the city's boundaries, sometimes involving fraudulent practices to bypass regulatory constraints. These informal means highlight the system's inability to effectively address the full extent of urban housing demand, which remains a significant issue in Bahir Dar City's urban planning landscape.

In summary, while the cooperative housing scheme was a critical policy step for affordable housing, its implementation has been hindered by overwhelming demand, an inefficient screening process, and ongoing pressures of urbanization. This experience underscores the need for strong oversight, better resource allocation, and enhanced regulatory frameworks to ensure equitable access to housing for low- and middle-income residents in the city.

b) Lack of Planning for Demand Responsive Housing Land

A significant barrier to the cooperative housing scheme in Bahir Dar City has been the absence of a structured annual plan from the land management office for allocating residential plots to certified cooperatives. This gap has led to challenges in aligning land availability with cooperative certification, creating a prolonged lag between certification and land provision. From the program's inception in 2014, the cooperative office has regularly certified new housing cooperatives, yet the land management office has often been unable to supply the required serviced plots, leaving many certified cooperatives waiting indefinitely for land.

One major challenge to land provision lies in the peri-urban areas around Bahir Dar City, where potential development land is often occupied by informal settlers. The high prevalence of informal settlements complicates land acquisition efforts, as clearing and preparing these areas for formal infrastructure development requires substantial time and resources. The issue of informal settlements grew more severe during the 2006–2013 hiatus in housing land delivery, when housing demand continued to rise, but formal land

allocation processes were frozen. This situation allowed informal settlements to expand into peri-urban land, further restricting available land resources. Supporting this view, a World Bank study (Zhang et al., 2019) found that urban centers in Ethiopia generally lack a system for allocating residential plots in line with urbanization rates and housing demand, a shortfall that has impacted housing accessibility nationwide.

In Bahir Dar City, this mismatch has been particularly detrimental for housing cooperatives, as certification for cooperatives requires land to be provided within one year—a timeline rarely met. Delays often extend up to five years, far exceeding the regulation's intended timeframe. According to key informant interviews, the urban land management office's approach to land allocation further complicates matters. Rather than drawing from a dedicated annual land stock for cooperative housing, their process primarily relies on expropriating land from third party holders after receiving land requests from the cooperative organizing office. This expropriation-based approach, intended for use in public and private real estate development, involves a lengthy search, acquisition, preparation, and provision process, which further delays land access for housing cooperatives.

In essence, the lack of an annual land allocation plan and reliance on third party land expropriation have led to severe delays in providing serviced land for housing cooperatives in Bahir Dar City. Addressing these barriers may require a dedicated land reserve for cooperatives within the annual budget stock, aligned with urbanization trends, to ensure that land supply meets demand and the cooperative housing program can function effectively.

c) Housing Cooperative Membership Eligibility Criteria

The eligibility requirements outlined in the cooperative housing regulation in Bahir Dar City have presented substantial obstacles that have compromised the scheme's efficacy and accessibility. While the program was designed to promote affordable housing for low- and middle-income residents, the financial requirements have proven prohibitive for many urban households. According to the regulation, housing cooperatives are only eligible to obtain serviced plots if members can collectively save at least 50% of the projected

construction costs independently a benchmark that many low-income individuals find challenging to meet. This requirement is at odds with the stated objective of making housing affordable for low- and middle-income groups, as it places the financial burden disproportionately on members with limited income.

Scholars like Hu and Qian (2017) and Khan et al. (2022) argue that successful residential development is reliant on a combination of factors, including the availability of serviced land, housing finance, and accessible construction materials. In the case of Bahir Dar City, however, the absence of a formalized housing finance system for cooperatives exacerbates the affordability issue. Cooperative members reported in focus group discussions that they struggled to save the mandated 50% of construction costs and cover land compensation fees due to limited financial resources. They have largely had to rely on personal savings, high interest loans from local lenders like the Amhara Credit and Saving Association, and informal borrowing from friends and family. Without access to structured housing finance options such as bank loans tailored to housing cooperatives, the aspiration for affordable housing remains largely theoretical and inaccessible for many cooperative members, particularly those from lower income backgrounds.

The problem is further compounded by widespread corruption within the eligibility screening process. Reports from cooperative members and municipal officials indicate that some individuals have circumvented eligibility criteria by using fraudulent methods, such as obtaining false identification or providing fake divorce documents to gain access to multiple land plots. This practice not only skews the allocation process but also delays land provision for legitimate members as the municipality is compelled to conduct extensive screening to verify cooperative members' eligibility before land can be allotted. This additional administrative burden has contributed to prolonged wait times and hindered the cooperative housing program's ability to deliver land efficiently to those who genuinely qualify.

In summary, the cooperative housing scheme in Bahir Dar City faces multiple critical challenges: restrictive financial eligibility criteria, a lack of supportive housing finance mechanisms, and corruption within the eligibility verification process. These issues have

collectively constrained the program's goal of affordability, rendering it out of reach for the majority of intended beneficiaries and undermining its potential as a viable solution to the city's housing demand.

d) Unaffordable Building Standards Set in the Cooperative Housing Policy

The cooperative housing scheme launched in Bahir Dar City in 2014 has encountered numerous structural and financial barriers, limiting its effectiveness in delivering affordable housing to low- and middle-income residents. One of the most prominent issues has been the imposition of high and often impractical building standards, specifically the mandate for G+1 typology (ground plus one floor). While the program's goal was to provide accessible housing, the building standards have instead become a significant hurdle. The majority of cooperative members largely comprising low-income households and civil servants with modest salaries, struggled with the financial demands of meeting these standards, which included both construction costs and land compensation payments.

Participants in focus group discussions highlighted that many cooperative members had not commenced construction due to a lack of affordable financing options and the substantial upfront costs required to initiate building. Until members reach an advanced construction stage, they do not qualify for bank loans, leaving them without recourse to formal housing finance options. As a result, members have had to rely on personal savings, high interest informal loans from family and friends, or delay construction entirely. This requirement disproportionately affects low-income civil servants who, despite receiving land plots, cannot generate the financial capital needed to start or complete their homes. This is evident from municipal records and key informant interviews, which reveal that of the approximately 31,000 cooperative members granted land plots, fewer than 7,000 have managed to partially or fully construct their homes.

This issue is exacerbated by findings from studies by Onur et al. (2015) and Zhang et al. (2019), which point out that high construction standards and costs across Ethiopian urban areas are often incompatible with the financial means of most urban residents. Consequently, many cooperative members in Bahir Dar City, after receiving their land

allocation, opt to sell the plots or postpone construction for years until they can amass sufficient resources.

In addition to these financial constraints, Bahir Dar City's cooperative housing initiative has been hindered by other operational and administrative barriers. The overwhelming demand for housing has exceeded the municipality's capacity to provide serviced land, particularly given that the city's urbanization has been rapid, driven in part by migration. Legislative gaps and inefficiencies in the lease proclamation delayed land allocations from 2006 to 2013, resulting in a backlog that compounded the program's challenges. Furthermore, the lack of an annual land allocation plan, the presence of informal settlements in peri-urban areas, and systemic corruption have further constrained land access for cooperatives.

Strict eligibility criteria, requiring cooperative members to save 50% of construction costs, and the limited availability of serviced land have placed an unmanageable burden on potential beneficiaries. Without access to adequate housing finance mechanisms, members struggle to meet these requirements, effectively rendering the cooperative housing scheme inaccessible to the very demographic it was designed to support. As a result, the scheme's goals of providing affordable housing remain largely unmet, with the cooperative housing initiative falling short in fulfilling its promise of offering a viable path to homeownership for low- and middle-income residents in Bahir Dar City.

4.1.2.3 Remedies to Improve Cooperative Housing in Bahir Dar City

Improving the current cooperative housing legal background is crucial to providing affordable housing for low- and middle-income residents. The cooperative housing scheme has been implemented to address the pressing issue of affordable housing for low- and middle-income residents of urban areas of Amhara region including the study area, Bahir Dar City. However, there are several areas where the current policy can be improved to enhance its effectiveness. Some key elements that can contribute to the improvement of the cooperative housing scheme to bring affordable housing development shall focus on housing finance and mortgaging, digitalization of data, ensuring transparency and

accountability, avoiding unrealistic building standards, promoting high rise buildings for cooperatives, and facilitating bulk purchase of building materials.

One of the primary challenges faced by individuals participating in cooperative housing in Bahir Dar City is the financial burden associated with construction costs and land compensation, which totally solder on the cooperative members. To make housing more affordable, the government should establish accessible and affordable housing finance modalities specifically tailored to the needs of cooperative members. The insignificant financial option in Bahir Dar City is the Amhara saving and credit association which is known to provide little loan with high interest rate that frustrate the members. The FGD discussants and cooperative housing committee key interview respondents, underline their argument that the government should arrange housing finance to attain the intended affordable housing by include low interest loans, subsidized mortgages, and flexible repayment options.

It is possible to take lesson from other African countries including Angola, Kenya and Nigeria those have banks to give long time with low interest loans for housing purpose. For instance, according to the study of (Cain, 2017), Angolan civil servants and military men can get interest free loan to be covered back from long term payment from salary of the employ. On the other hand, the study of (Feather & Meme, 2019; Stiftung, 2012) the Kenyan government takes a different approach to support affordable housing by offering loans to saving cooperatives in proportion to their savings. When these cooperatives have saved up to 30% of the required amount, the development and housing mortgage banks step in to cover the remaining 70% through long term loans with minimal interest rates.

The Nigerian case by (Adegun & Olusoga, 2019; Ayedun et al., 2017; Obodoechi, n.d.) is also found noteworthy, as it allows cooperatives, particularly those comprising government employees, to access direct long term loans with minimal interest rates. This approach aligns with the objective of facilitating affordable housing solutions for cooperative members. Indeed, during the socialist regime under the *Derg* government, Ethiopia enthusiastically promoted cooperative housing, resulting in an upsurge in housing supply by cooperatives (Abdie, 2012). This was made possible through controlled

construction material prices, free land allocation, and low mortgage interest rates (4.5%) provided by the housing mortgage bank (which is absent now a days).

Consequently, housing cooperatives were able to produce a total of 40,539 housing units between 1975 and 1992. Hence, collaborations with financial institutions and the creation of housing funds can further facilitate affordable housing financing. Furthermore, to reduce construction costs, the cooperative housing policy should facilitate bulk purchase of building materials. By negotiating with suppliers and leveraging the collective purchasing power of housing cooperatives, members can benefit from cost savings. This approach ensures that affordable housing remains a priority, as the overall construction expenses are reduced, making it more accessible for low- and middle-income residents.

In Bahir Dar City, residents possess non digital identification cards (ID) issued by local governing bodies. When individuals visit the organizing office, they are required to present an ID that confirms their residency in the city for a minimum of two years. However, some members, who may not be actual residents of Bahir Dar City, unlawfully obtain IDs through corrupt officials responsible for issuing them. These fraudulent practices not only prevent genuine residents from acquiring land but also lead to delays in land delivery due to the need for extensive member screening.

To address these challenges and prevent dual registry and other forms of cheating, it is crucial to prioritize the digitalization of data, including residents' identification cards. Respondents in focus group discussions (FGD) and key informant interviews (KII) emphasized the importance of implementing a centralized database that connects various urban areas. This digital infrastructure would facilitate the tracking of individuals attempting to obtain multiple plots of land or manipulate their eligibility.

To enhance the effectiveness of the cooperative housing scheme in Amhara National Regional State's urban areas, particularly in Bahir Dar City, ensuring transparency and accountability is paramount. This involves oversight and accountability measures involving the cooperative office, local administrators responsible for issuing ID cards, the land management office, and cooperative members. To achieve this, regular audits should be conducted to maintain integrity and uphold transparency within the system.

Furthermore, it is crucial to avoid unrealistic building standards and promote the construction of high-rise buildings as another significant element in improving the current cooperative housing policy for affordable housing. The requirement for single residential homes to meet impractical building standards should be reconsidered. These standards often lead to inflated construction costs, making housing less affordable for cooperative members who are mainly in low- and middle-income community sections as stipulated by the objective of the regulation 9/2013. By allowing for more flexibility in building designs, and the tendency to use local construction materials. It is possible to update the cooperative housing scheme and promotes affordable housing.

In addition, to address the limited land resources in the city, the affordable housing program within the cooperative housing scheme should actively encourage the construction of high-rise buildings for cooperative housing. According to (Adam, 2019), high rise buildings optimize land utilization efficiency by accommodating a larger number of residents within a smaller footprint. This helps the cooperative members can allocate their land compensation funds to contribute to the construction cost of shared buildings. This is because the land cost for shared buildings is distributed among all the cooperatives. While, in private townhouse designs like the existing cooperative houses of Bahir Dar City, cooperative housing members bear the expensive land costs individually for their private units.

This approach allows cooperative members to share the construction costs rather than constructing individual G+1 villa. This approach further enhances urban land use efficiency by allowing a single plot to accommodate multiple households, contributing to more efficient land utilization of the city's scarce land and increasing the land supply for cooperative housing. The government can provide incentives and support for the development of high-rise housing projects, including tax breaks and access to infrastructure and amenities.

In conclusion, Ethiopia's land tenure system is based on state ownership, with urban land managed via leases and rural land under farmers' perpetual usage rights. The government can expropriate land for development, compensating only for improvements, not land

value. In Bahir Dar City, cooperative housing programs aim to improve affordable housing access, regulated by criteria and housing standards. However, from 2006 to 2013, land provision stalled due to issues with Proclamation 272/2002, leading to revisions and a 2013 regulation that reactivated the cooperative scheme. Since then, 1,618 cooperatives with 35,512 members have been certified, and 31,596 land plots allocated. Despite this progress, challenges persist, including high housing demand, limited annual land allocation, peri-urban informal settlements, and corruption. Strict eligibility and high building standards further limit affordability, making it difficult for many low- and middle-income members to finance construction, resulting in delays and few completed homes. Addressing these issues is essential for the cooperative housing program's success.

4.1.3 Informal Land Acquisition Practice for Housing in Bahir Dar City

4.1.3.1 Introduction

This section analyzes informal land acquisition for housing and the perspectives on informal settlement expansion in Bahir Dar City, encompassing the six sub-cities and five rural *kebeles* under the city's administration. It covers the current state of informal land transactions, the factors driving informal settlements, the procedures and participants involved in these transactions, and the local government's interventions to control informal settlement growth. The discussion of the results is integrated coherently with the presentation. Additionally, the section explores the socio-economic and political dynamics influencing informal land transactions and settlements in the study area.

4.1.3.2 The Situational of Informal land acquisition for Housing in Bahir Dar City

Bahir Dar City is one of the large urban areas of Ethiopia passing through rapid urbanization rate and suffering much from the insufficient urban land production and housing supply (Emiru et al., 2023; Dadi, 2018). This urbanization is largely driven by involuntary migration due to push factors in the countryside, predominantly affecting the young population. Consequently, there is a noticeable shortage of land for the younger generation. According to Appelhans (2017), 67% of all migrants in Bahir Dar City are first time migrants, coming directly from their areas of origin. These migrants originate from a

variety of locations, including surrounding rural areas and other urban areas across the country.

One of the dominant problems arising from rapid urbanization is the housing shortage. Newcomers depend on the existing housing stock of the city, with less than 30% of urban settlers living in their own homes and the remaining 70% in rental homes (Derso & Gebremichael, 2023). The influx of people increases rental home prices, making affordability a significant issue, especially for renters with families. The government's formal urban land and housing supply falls far short of demand, and land values and building standards are unaffordable except for a few high-income groups who can participate in the lease land acquisition tender process. The study by (Yimam et al., 2022) pointed out the main barriers hindering sufficient urban land supply in the formal channel include challenges in land rights expropriation and compensation processes, financial shortages for compensating landholders, the absence of a well-organized cadastral information system, and a shortage of qualified human resources. As a result, many home seekers turn to informal land acquisition and settlements in the city. This shift has led to a significant expansion of informal settlements, which accommodate the housing needs of a large portion of the city's residents.

a) Informal Land Access Scenario in the Sub-cities

According to Bahir Dar City code enforcement office, 5,380 informal housing constructions occurred in Bahir Dar City between the 2014 and 2021 fiscal years (Table 8). Informal land acquisition arises from various sources, including purchases, the invasion of pocket lands within the city, and the unauthorized construction of homes on self-held lands. These constructions are carried out without formal permissions and do not adhere to the city's building standards. In this support, interviews with code enforcement experts clarified that land purchases for housing typically occur in the city's expansion areas. Invasion of pocket lands usually happens in open spaces reserved for greenery, buffer zones along the shore of Lake Tana, and swampy lands within the city. Additionally, the interviewees highlighted that the inner-city households often build homes on parts of their residential land plots to rent out or sell due to the sharply increasing rental and sale prices

of residential housing. Some homeowners also participate in this informal construction to provide housing for their extended families, mainly their children.

The data indicates that Tana sub-city had the highest number of informal constructions, with 3230 units built between 2014 and 2021, primarily on land held by the settlers themselves without formal building permits, suggesting that many residents chose to build without official approval due to bureaucratic hurdles or inadequate formal land supply. This trend started early in Tana and spread to other sub-cities over time. In contrast, Atse Tewodros sub-city recorded the fewest informal constructions, with only 178 units, mostly acquired through informal land purchases, highlighting a different pattern of land acquisition and a gradual increase in informal constructions, particularly after 2018. Gishe Abay saw 602 informal constructions, with a substantial portion acquired through buying (381 units) and invasion (91 units), experiencing a notable spike in informal constructions starting in 2018, driven by the availability of land for purchase and opportunities for land invasion.

Belay Zeleke recorded 429 informal constructions, with the majority acquired through invasion (218 units) and self-holding (146 units). The increase in informal constructions in this sub-city began in 2017 and peaked in 2019, reflecting a delayed response to the urbanization pressures experienced earlier in Tana. Dagmawi Menilik saw a significant rise in informal constructions in 2019, with 862 units built, predominantly through self-holding (745 units), indicating that landholders began utilizing their land for residential purposes in response to increasing housing demand and urbanization pressures. In contrast, Fasilo had the fewest informal constructions, totaling 73 units, all achieved through self-holding, suggesting either limited land availability for informal acquisition or stricter enforcement of land use regulations compared to other sub-cities.

Table 6: Informal residential houses constructions in each sub-city of Bahir Dar City between 2014 2021

Sub-city	Year of Construction								Land Acquisition Scenario				
	2014	2015	2016	2017	2018	2019	2020	2021	Total No.	Total %	Buying	Invasion	Self-Holding	Not Confirmed
Tana	207	198	240	360	760	837	628	9	**3239**	**60.2**	406	55	2780	
Atse Tewodros			1	8	8	18	129	14	**178**	**3.3**	112	8	43	15
Gishe Abay			1	1	152	323	113	12	**602**	**11.2**	381	91	116	14
Belay Zeleke			1	23	29	306	65	5	**429**	**8**	218	65	146	
Dagmawi Menilik						641	215	6	**862**	**16**	107	10	745	
Fasilo							61	12	**73**	**1.4**			73	
Agrigate Total	**207**	**198**	**243**	**392**	**949**	**2125**	**1211**	**58**	**5380**	**100**	**1220**	**229**	**3903**	**29**

Source: Bahir Dar City Code Enforcement office, 2022

Generally, the data revealed that informal land acquisition and residential construction in Bahir Dar City have been on the rise since 2014, with notable variations across different sub-cities. The primary modes of land acquisition include buying from peri-urban farmers or city residents with large plots, invading free state lands, and using one's own farm landholdings. The trends indicate a pressing need for the city administration to address the challenges associated with informal settlements by improving urban land supply mechanisms, enhancing housing policies, and ensuring fair compensation for expropriated land to mitigate the issues faced by informal settlers.

b) Informal Land Access Scenario in Rural Kebeles in the City Administration

The rural *kebeles* included in the city's structural plan are designated for future expropriation and serve as sources for city expansion.

The table 9 below revealed that *Adis Alem* had a total of 111 informal constructions, all of which occurred in 2019, although this *kebele* had prior permissions for constructions before 2016, these developments did not comply with the current land use plans or building standards. *Zenzelma* reported the highest number of informal constructions, totaling 978 units, with significant construction activity occurring in 2017 and 2018 and a notable peak of 540 units in 2019. Since 2022, *Zenzelma* has been incorporated into the Atse Tewodros Sub-city, which may affect future data and planning.

Woreb Kol saw a total of 746 informal constructions, with the majority occurring in 2017 (378 units) and a noticeable drop in subsequent years. This *kebele* experienced irregular construction patterns with fluctuating activity over the years. *Sebatamit* recorded the highest number of informal constructions, with a total of 1,562 units, peaking in 2016 with 609 units, followed by substantial numbers in subsequent years, including 775 units in 2021, indicating ongoing significant informal development despite legal constraints. Woramit had 211 informal constructions, with most activity occurring from 2019 onward and peaking in 2021 with 1,269 units, reflecting a significant rise in informal construction efforts.

Table 7: Informal houses constructions in the Rural Kebele Administrations of the City between 2016 2021

Rural Administrative *Kebeles*	Year of Construction						Total
	2016	2017	2018	2019	20120	20121	
Adis Alem				111			111
Zenzelma		137	201	540	100		978
Woreb Kol		378	131	23	206	14	746
Sebatamit	609	336	225	302	90		1562
Woramit		11	42	100	58	32	211
Total	606	862	398	1076	454	46	3608

Source: Bahir Dar City Code Enforcement office, 2022

Overall, the data on table 9 illustrates a marked increase in informal construction across these rural *kebeles*, especially in *Sebatamit* and *Zenzelma*. This rise in construction activities is manifest although the legal prohibition on regularizing informal settlements set by Lease Proclamation 721/2011 stated to end up by 2015 (FDRE, 2011). The varying levels of informal construction across the *kebeles* highlight challenges in enforcing land use regulations and suggest a need for more effective management strategies to address informal settlements.

Regarding to the characteristics, there is no standard land plot size or housing type in the area; plot sizes vary based on the income levels of buyers. Higher income purchasers typically acquire larger plots, while lower income buyers access smaller ones. A study by (Alemieneh, 2022) revealed that as plot sizes increase, the price per square meter decreases, and vice versa in the study area. The study revealed that the speculators often buy large plots, anticipating future increases in land value due to high urbanization and rising urban land demand. It is proven that land prices in the informal market have been rising over time. Those who purchased informal land and constructed their homes earlier secured larger plots at lower prices. Consequently, they often subdivide their land and allow other developers to build within their compounds.

Figure 6: The Irregular physical layout of Informal Housing developments in Bahir Dar City

Most houses are constructed from local materials, featuring wooden walls coated with mud, tin roofs, and occasionally cemented floors, though the majority are not. Studies showed that these houses are built this way to minimize costs due to the risk of demolition (Adam, 2014a). Most buyers are low-income settlers, often employed by government and private institutions or engaged in small scale informal trade (Derso & Gebremichael, 2023). They usually finance land purchases through contributions from family and friends, as there are no formal credit options available. No banks in the country provide credit for land acquisition, which is particularly unsurprising for informal land purchases. As a result, informal settlements in the expansion areas of Bahir Dar City's sub-cities expansion areas, and the city's rural administrative *kebeles* are highly congested, as depicted by the **figure 6** Above.

In such areas, there is a shortage of basic services like water, electricity, and roads. Residents often extend electricity from formally recognized houses, and wells are the primary water source. Informal houses built through sub plotting in central areas have better access to these services and can be more easily formalized, leading to higher property values. Many informal constructions before 2015 were integrated into the informal system with the help of *kebele* administrators, who falsely claimed that these houses existed earlier and requested the municipality to provide basic services. Buyers often hope to formalize their properties by bribing *kebele* administration committee

members for false approvals, with brokers facilitating communication between informal land buyers and sellers.

4.1.3.3 Drivers of Informal Land Acquisition for housing in Bahir Dar City

Bahir Dar City, like many rapidly urbanizing areas in Ethiopia, faces significant challenges in accessing urban land for affordable housing through formal channels. This has led to a default reliance on informal land acquisition for housing. Several interrelated factors drive this trend, including the city's rapid urbanization, which increases housing demand and raises rental prices beyond the reach of most residents. The inefficiencies and high costs of the formal land acquisition system, which relies on expropriating peri-urban farmers' land with insufficient compensation, further push farmers to supply land informally. The informal land market is also more efficient and affordable compared to the formal system. Additionally, weak governance and the involvement of local administrators in informal transactions exacerbate the issue. These factors are discussed under in detail.

a) Fast Urbanization Led Acute Demand for Affordable Urban Land and Housing

Bahir Dar City, one of the largest urban areas in Ethiopia and the center of the Amhara Regional State, is preferred by immigrants for its socioeconomic advantages and is urbanizing at an alarming rate, with growth rates ranging from 5.4% to 7% (BDCSPO, 2022). The majority of these immigrants are first time youth migrants from rural areas. According to (Appelhans, 2017), 67% of these migrants are displaced from the countryside due to a shortage of farmland and are motivated by the city's better services and higher standard of living. These newcomers increase the demand for housing, relying on the existing housing stock while new formal constructions lag significantly behind demand.

This overcrowding leads to high rental prices and restricted access to essential services like water and electricity for tenants, further deteriorating their living conditions. Consequently, rapid urbanization is a key factor driving the prevalence of informal land acquisition in the city. This increased demand affects the supply side negatively, as the formal system is unable to meet the housing demand, leading to unaffordable housing prices and rental values. As a result, many low-income residents are pushed to seek more affordable alternatives in the informal market.

b) Barriers in the Formal System of Land Acquisition

One of the dominant functions of the urban governments working on the provision of urban services and infrastructures so as to bring efficient urban life in urban areas. Among the services expected is addressing the affordable housing supply, which is among of the basic needs. This basic need which affects the socioeconomic development of the residents is contingent on the supply of land in the formalized system, which needs efficient land administration and governance system. In Ethiopian urban areas including the case city, Bahir Dar City, urban land tenure system is based on public ownership and its administration function is given for the government and it is administered based on lease system. Accordingly, municipalities are responsible to administer the urban land lease system and bring efficiency in urban land supply for various urban development uses, among land for affordable housing is the prominent one.

However, inefficiency of urban land governance to respond urban land supply for various purposes as residential result in the informal land access to fill the gap. Urban land supply inefficiencies might be arisen from including land production, eligibility and transferring related procedures, and affordability from cost and land use regulation and construction standard perspectives.

In Bahir Dar City, residents face a severe shortage of affordable housing primarily due to limitations in the formal urban land supply system. The city's land supply for housing cannot meet the escalating demand, with only a small number of plots prepared as revealed by table 10 below. These plots are often unaffordable due to high prices and building standards, and the process to obtain permits and land registrations is lengthy. In Ethiopia, urban land is generally sourced through the expropriation of peri-urban farmland, from farmers having perpetual use rights over the land and requiring compensation from the government. However, some interviewees from the municipal land administration office revealed that limited municipal revenue hinders the payment of advance compensation needed to free up land for urban use, crippling urban land production. Additionally, the transfer of lease land requires the provision of basic utility services and infrastructure, as mandated by the lease proclamation, which also demands significant financial resources.

Consequently, despite the rapidly increasing demand for housing, the constraints on formal land supply push many residents to seek alternatives in the informal market.

Table 8: Annual residential land plot production for tender plan versus actual transfers from 2013 2022

S.No.	Fiscal Year	Residential Lease Land Plot Production Plan	Total Land Size in M^2	Actual No of Plots Transferred
1	2022	77	11937	54
2	2021	162	24330	103
3	2020	124	-	44
4	2019	237	-	201
5	2018	288	-	221
6	2017	-	-	-
7	2016	-	-	-

Source: Bahir Dar City Revenue office, 2023

Urban lease land production for housing purposes in Bahir Dar City, as revealed by table 3, from 2016 to 2022 has been highly insufficient compared to the demand. Notably, no plots were planned or transferred for transfer in the 2016 and 2017 fiscal years. Although the municipality planned to prepare 288 housing plots in 2018, only 221 were actually transferred. Similarly, in 2019, despite planning for 237 plots, only 201 were transferred. The situation worsened in 2020, with a plan for 124 plots but only 44 being transferred. In 2021, out of the 162 planned plots, only 103 were transferred, and in 2022, only 54 out of the 77 planned plots were delivered. Although the plot sizes varied, the minimum lot size was consistently above the city's residential standard, increasing from 100 m² up to 2019 to 150 m² since 2020.

The inefficient land production for housing, result the booming in of the price of the land I the tender transferring modality. While the lease benchmark price starts at 350 ETB/m² for grade 1 land (near the CBD) and 150 ETB/m² for grade 5 (expansion areas), actual tender prices have risen from year to year. For instance, according to a study by (Yimam et al., 2022) in 2014, the average price was 3,928.5 ETB/m², rising to 7,765.5 ETB/m² by 2015. Although the minimum price dropped to 1,466 ETB/m² in 2016, the average price surged to 11,788 ETB/m². In 2017 and 2018, average prices were 17,050.5 ETB/m² and

26,277.5 ETB/m², respectively. This trend continued in 2019 and 2020, with average prices reaching 27,052.5 ETB/m² and 43,100 ETB/m². While the price of the plots is 150 ETB/m² 350 ETB/m² if transferred through allotment, the average tender price reached up to 43,100 ETB/m² in 2022. This shows that the mass of the city residents is not affordable to compete and bit the residential plot in the tender modality, which leads them to search alternatives in accessing land in the informal market.

The study also exposed that the cost to acquire a minimum land plot of 150m² via tender in 2022, based on the average plot tender price of 43,100 ETB/m², amounts to 6,465,000 ETB. A minimum down payment of 10% is required, summing up to 646,500 ETB. This cost does not include construction permits and other procedural fees. The interviews indicated that the minimum construction cost, based on the city's building standards ground plus one (G+1), is at least 3.5 million ETB. Therefore, to build a home on a 150m² plot acquired via tender, one would need a total of 9,965,000 ETB. The sum of the down payment and the construction cost are the immediate costs, while the remaining balance is to be paid monthly or annually over the lease contract period based on the agreement. This total expense is unaffordable for the majority of urban land and housing demanders.

This limited land production and supply have not met the urban land and housing demand, resulting in high prices and fierce competition. Study by Zhang et al., (2019) indicate that the number of bidders is 12 to 24 times higher than the available residential plots. This disparity highlights the substantial need for residential land, as these figures do not account for lower income individuals who often do not participate in such auctions. Moreover, the system's shortcomings in terms of affordability further exacerbate the issue. While there is no exact study or record of the annualized number of urban land demanders for housing in Bahir Dar City, an estimate based on population and housing data provides insight. In 2022, Bahir Dar City had a population of 455,900 and 50,500 total residential houses. With an average family size of 3.2, the total number of households is approximately 142,470. Of these, around 79,757 households (56%) are in demand for housing, living in rental housing or sharing existing homes in crowded conditions.

In the city, the eligibility criteria and the building standard is again the other headache which can’t be affordable again. The minimum building standard of the city this day is

G+1, which demands up to two million birr in 2021, but due to inflation especially on construction material, the construction cost demands up to 3 4 million birr in 2022. The low-income and middle-income inhabitants again not affordable to in the tender, but even in the cooperative housing modality too.

c) Low compensation for land expropriation as a driver of informal land transaction

The source of land for urban expansion in Ethiopia is the expropriation of peri-urban land which is under the holding of the subsistence farmers. The FDRE constitution clearly stated that all land is owned by the public and holding/use right is given for individuals, and their right might be expropriated upon the advance payment of compensation. Therefore, urban land production for lease involves expropriation after paying compensation, the process which suffers opposition from the existing land holders as the compensation is so low and insufficient.

In Bahir Dar City, the municipality is responsible for preparing urban land from expropriating peri-urban landholders' possession within the planning boundary of the city by providing compensation. When land is designated for urban use, its value ranges between 150 ETB/m² and 350 ETB/m², with an average of 250 ETB/m² for housing land, considering the land development cost. However, the compensation paid to peri-urban landholders has been relatively low, at 54 ETB/m² in 2017, 2018 and 2021, increasing to 99.5 ETB/m² (rounded to 100 ETB/m²) from 2022 onwards (Adigeh & Abebe, 2024). Despite this, a study by (Yimam et al., 2022) revealed that farmers often sell their landholdings at prices significantly higher than the compensation they receive. The study indicates that urban land prices ranged from 7,000 ETB/m² to 12,000 ETB/m², with an average of 9,500 ETB/m², which is 95 times the highest compensation paid in 2020. The interview with a 57 years old man who lost his farm land for urban expansion below revealed that the compensation is insignificant in addressing the economic loss of the farmers.

> *"…. I wish I could forget and not talk about that situation, as that is about, I lost everything. … I had had one hectare of land, on which I relied for my and the family everything. We live on, we rare cattle, produce milk and crops, ranching oxen, grow vegetables. I used to earn 350 ETB per day from milk production, and I would*

have cattle. I only ploughed half of my land to get the annual crop earnings for my family, while the half was reserved for grass. I was rich. But, in 2017, the government took all my land for 'industry park development,' a development that complicated my life. Now, I am too poor to feed my children. I immediately sold my cattle after I was ordered to vacate the land with that compensation. No milk, no money, no land. I always wonder what 'development' means and for whom it is. I spend my days thinking about what I lost and how I lost my livelihood. I aged rapidly after that. I now live in a rental home in a crowded urban area, surrounded by people but feeling alone. We farmers are sparse, but we live close to each other. Now, I am alone in a dense mass of people. I would prefer to have died than live such a life …"

Considering the compensation of 54 ETB/m², the farmer received around 540,000 ETB, calculated based on a 10-year average crop market value. However, this calculation does not account for the farmer's other sources of income, such as dairy farming, ranching, vegetables, and poultry, which are not considered in the compensation proclamation. The compensation received was equivalent to the value of a minimum housing land plot standard of the city if sold on the informal market. The data from the interview of the brokers about the average price of land in the informal market in 2017 was 3500 ETB/m². According to the interview, if the farmer's milk income over 10 years is considered without inflation, he would have earned a total of 1,260,000 ETB, which is 2.3 times more than the compensation he received. This calculation excludes the income from ranching, vegetables, and crops on the other half of his land.

The farmer's perpetual possession/use rights to the land make the 10-year compensation somewhat vague. In reality, the value of the same land when converted to urban use was 250 ETB/m² on average at the benchmark price, and it rose to 17,050 ETB/m² at the average tender price in the same year of the farmer's expropriation.

When peri-urban farmers find their land included within the city's planning boundary, they understand that the municipality will take their land with minimal compensation. As a result, they view urban expansion as a threat and choose to sell their land on the informal market at significantly higher prices, sometimes 65 times more in 2017 and 95 times more

in 2020 than the compensation offered. Therefore, it can be concluded that insufficient compensation for peri-urban landholdings, where farmers have perpetual possession rights, is a major driving factor for informal land acquisition. Consequently, they prefer to subdivide and sell their plots informally to secure more cash themselves. This is why the peri-urban expansion areas of Bahir Dar City are increasingly occupied by informal housing developments.

4.1.3.4 Stakeholder participation and Procedures in informal land acquisition

Urban land transaction in the informal channel has its own procedures in which different stakeholders take part at various levels in the process. It has its own structures, institutions, codes and processes. The stakeholders include the land suppliers, buyers, brokers and local elders, local administrators. Researches by (Adam, 2014b; Derso & Gebremichael, 2023) described the participants and their level of participation in the informal land transaction in Bahir Dar City.

Peri-urban farmland holders are the primary suppliers to the informal land market, often selling their land to avoid expropriation by the city administration with inadequate compensation. Sometimes, they sell due to financial difficulties. Interviewees with the sellers revealed that most farmers involved in informal transactions are from expansion areas, seeking to escape inadequate compensation.

The buyers in informal land transactions are typically city center inhabitants who face rising rental prices, making housing unaffordable, especially for large families needing more space (Derso, 2020). These tenants also seek to escape restrictions imposed by homeowners on utilities and social interactions. Additionally, some middle- and high-income urban residents participate to speculate on land, buying larger plots to replot and sell later. In the informal market, land prices decrease as plot sizes increase. In support of this, (Anierobi et al., 2023) reviled that factors such as inadequate housing supply, high costs of rent and land in formal areas, and insufficient governmental intervention in housing markets.

Brokers play a crucial role in informal land transactions, acting as intermediaries between sellers, buyers, and local administrators. They provide vital information on land

availability and price averages to both buyers and sellers. Sellers rely on brokers to find buyers, providing details about the location, size, and price of the land. Buyers seek brokers to find housing land in the informal market. After facilitating negotiations on price and other parameters, brokers then liaise with local administration and code enforcement agents to obtain the necessary permits, thus helping to formalize the otherwise informal transactions. In support of this, the study by (Bayuma & Abebe, 2023) shown land brokers are the most influential, holding pivotal positions in the network due to their high centrality, closeness, betweenness, and eigenvector scores.

Local administrators are key stakeholders in the informal land transaction process. After a deal is concluded between a buyer and a seller, they contact often brokers contact local administrators informally and pay bribes to obtain a letter recognizing the land as having an old house that needs redevelopment. This letter allows them to secure a redevelopment permit, pretending the existing home was constructed before 2015, making it eligible for regularization if it conforms to the land use plan. Buyers also verify that the land use category is residential according to the structural plan through urban land management staff informally. Subsequently, either the buyer or seller constructs the house using non new materials, such as old tin sheets, reused nails, and old wood, to give the appearance of renovation rather than new construction.

Once construction is completed, the agreement between the seller and the buyer focuses on the house rather than the land, as land sales are illegal under the constitution. This agreement is usually supported by a false loan contract, simulating that the seller took a loan they are unable to repay. Consequently, they agree to hand over the house as repayment. The loan contract is concluded between the buyer and his family, avoiding potential claims by the seller's family, and is witnessed by local elders. The loan amount is set significantly higher than the actual price paid in the informal market to prevent the seller from reclaiming the land in the future due to price increases.

Following this, the seller approaches the local administration to obtain a recommendation letter for the municipality, allowing them to access basic services like electricity and water. Through this process, the informal development gradually becomes formalized. If successful, the property is officially recognized; otherwise, it risks being demolished.

The informal urban land transaction in Bahir Dar City involves peri-urban farmland holders pressured by inadequate compensation, city center inhabitants seeking affordable housing due to rising rental prices, brokers facilitating transactions, and local administrators enabling the process through bribes and permits. Strategic maneuvers, such as simulated loan agreements and the use of old construction materials, help avoid legal repercussions. Despite these challenges, the informal market persists due to significant housing demand and the shortcomings of the formal urban land supply system, highlighting the need for more responsive urban land management policies.

4.1.3.5 Government Response to Informal Settlements in Bahir Dar City

Governments adopt a range of approaches in responding to the expansion of informal land access and settlements, which often occur through unofficial transactions and adhere to customary practices that reflect local structures and social norms. Interventions to manage informal settlements can vary widely, from passive approaches such as inaction or "negligence," where authorities allow informal developments to persist to maintain social peace, to more active approaches such as upgrading, resettlement, formalization (regularization), or, in some cases, eviction and demolition.

Historically, informal settlements were regarded as an impediment to urban modernization and development, leading to aggressive eviction policies, especially from the 1950s onward. Governments worldwide sought to promote "modernized" urban development by replacing informal areas with formal housing and infrastructure, often through forced eviction. However, these approaches often had adverse social impacts, displacing vulnerable populations without offering viable alternatives. Over time, policies began to shift toward more inclusive strategies, such as regularization and upgrading, which aim to incorporate informal areas into the formal urban fabric.

In Bahir Dar City, the government's response to informal land development reflects a mixture of these intervention strategies, encompassing both eviction and regularization in line with the Amhara Region's lease proclamation and enforcement directives. Despite an increasing recognition of the need for inclusive approaches, eviction and demolition remain the primary methods of government intervention in Bahir Dar City. Interviews with urban land management officials highlight that eviction is often seen as a necessary means

to reclaim land for planned developments, particularly as the city faces escalating demand for urban land and housing. For example, in Atse Tewodros Sub-city, approximately 2,000 informal structures were demolished to make land available for housing cooperatives that had been waiting for serviced land at the benchmark lease price since 2017.

Eviction and regularization policies in Bahir Dar City have faced criticism, especially regarding their perceived inequity and potential for discrimination. The earlier compensation proclamation, in effect since 2007, was criticized for providing minimal compensation to individuals whose land was expropriated for public purposes. This issue became more pronounced with the strengthening of new government policies and increased enforcement measures, which led to a significant reduction in informal land transactions. Following updates to the compensation framework and intensified enforcement, there has been a marked decline in informal land transactions. However, while such policies have reduced informal development, they have also raised concerns about their impact on low-income residents who rely on informal land access due to limited affordability and availability of formally allocated land plots.

The government's approach to informal settlements in Bahir Dar City reflects broader tensions between urban planning objectives and the realities of urban poverty. While eviction and demolition offer a quick solution to reclaim land for formal use, these measures can exacerbate housing insecurity for the city's low-income residents. Regularization, while less common, presents an alternative pathway to formally integrate these communities, aligning with global shifts toward inclusive urban policies. However, in Bahir Dar City, effective regularization efforts are limited by the city's lack of affordable housing options, leading many affected residents to resort to informal means as a last resort.

In summary, the government's response to informal settlements in Bahir Dar City demonstrates a combination of eviction, regularization, and, to a lesser extent, inaction or tolerance of informal development. While updated compensation policies and stricter enforcement have curbed informal land transactions, the heavy reliance on eviction without adequate resettlement or affordable alternatives may hinder the city's long-term goals of equitable urban growth. Moving forward, a more balanced approach that

incorporates both regulatory enforcement and pathways to affordable formal land access could help address the persistent challenges associated with informal settlements in Bahir Dar City.

Generally, informal land acquisition and settlement growth in urban areas cannot be solved by mere condemnation; rather, positive interventions addressing root causes are essential. In Bahir Dar City, informal land access significantly meets housing demands unmet by formal systems due to limited urban land supply and low compensation for peri-urban landholders. Informal settlements, though under serviced and more vulnerable to crime, often represent the only viable option for many. Thus, municipalities should focus on integrating these settlements into the formal housing system, with regularization offering an effective approach to support and manage informal communities.

4.1.4 Barriers in Urban Land Supply and Housing Development in Bahir Dar City

Urban land is a crucial socioeconomic and environmental resource for achieving the sustainable growth of urban areas. To realize urban development goals, an efficient land administration system must be prioritized. Proper management of land and related resources links to the identification and assessment of urban land potential within each municipality (Chekole et al., 2020; Muhabaw and Gashu, 2019). However, Ethiopian urban areas face significant challenges in urban land administration and management, which require the development of effective policies, strategies, and institutional frameworks (Admasu et al., 2019; Baye et al., 2023). These issues stem from various factors, including problems with urban land registration, difficulties in identifying redevelop able urban areas for optimal development, challenges in land servicing, urban land supply and transfer processes, conservation of urban land reserves, gaps in the legal and policy framework, inefficiencies in land value capture methods, and limitations in financing urban land servicing, among others.

4.1.4.1 Barriers Related to Urban Land Policy Frameworks

The proper formulation and implementation of land laws are regarded as the cornerstone of land administration systems, playing a critical role in guiding planned land management (Cobbinah et al., 2020). Article 40(3) of the FDRE Constitution clearly states, "The ownership of rural and urban land, as well as all natural resources, is exclusively vested in the state and the people, giving the government the role of administering and managing it (FDRE, 1995; Zhang et al., 2019). Under the public ownership tenure type, Ethiopia's urban land is governed by the lease holding system (FDRE, 2011). Accordingly, the municipalities are the owners of the land under their administrative boundary, and Proclamation No. 721/2011 explicitly states that the sole supplier of urban land is the municipality. According to this framework, municipalities are expected to be the exclusive suppliers of leased land. Therefore, any land plot for various uses including housing, is subject to the municipality solely to identify, service and transfer. The land for urban development is usually pooled from the expansion areas by expropriating farming land from the peri-urban farmers who are in the planning boundary of the urban areas.

While the rationale of the formal way of urban land administration is guided by the lease holding system as stated above, the empirical situation shows that there are inefficiencies in the lease system to supply urban land per the demand for various uses like housing in urban areas of Ethiopia, including the case city Bahir Dar City. The key informant interviews data in this regard revealed that there is over accumulated urban land demand for housing in Bahir Dar City as a result of a mainly insignificant supply of urban land by the municipality resulting in high competition in the bid price which excludes the majority of the urban residents with low and middle income, and even the high-income categories to some extent, from getting land access for housing. The insights from the following interviewee illustrate this point;

> *"... The lease proclamation strictly stated that urban land shall be transferred for development only after proper servicing with basic infrastructures, which is cost intensive to the municipalities. This happens even after the production of land by expropriating land from third person holders, mainly farmers with payment of*

advance compensation. The proclamation again states that when transferring land for housing and other purposes, the advance payment of the lease price does not consider the land servicing cost, which is possible to a minimum of 10% of the price and the remaining to be paid in the agreed lease period. Therefore, we observe and recognize the existing alarmed demand for land, but as an institution, we are restricted to supplying land due to a shortage of revenue for compensation of expropriating land and land servicing…).

Studies in this regard exposed that the urban land lease system is inefficient pressing down the housing development, especially in the private unaffordable (Debele and Negussie, 2021; Derso, 2020; Keller and Mukudi Omwami, 2017). A World Bank study in 2019 revealed that the land transfer is not based on the land value capturing to finance the servicing of the land with basic infrastructures, nor the private developers are participants in the sub leasing and land servicing by themselves for housing development (Zhang et al., 2019). With similar notions studies by (Derso and Gebremichael, 2022; Yimam et al., 2022) disclosed that the urban land lease system is inefficient in supplying urban land for housing development, resulting in the informal modality overseen as a system for housing development in urban areas of Ethiopia.

The inefficiency of the lease system can also be evaluated in terms of its coverage and acceptability. It was indicated that all urban land and associated real properties should have transitioned to the lease system by 2015 (FDRE, 2011). However, according to the secondary data from the FDRE Ministry of Urban and Infrastructure, Urban Planning and Land Management sub office, as of 2023, in Ethiopia, only 827 out of 1,668 urban areas have made the shift to the lease system. Even among these, not all have fully converted their properties. For example, in the 27 urban areas that have adopted the lease system, only 107,384 hectares of a total of 298,012 hectares of land have been converted to leasehold, which represents approximately 36%. In this context, Bahir Dar City appears to have implemented the lease system, with 17% of its land resources transferred to leasehold as of 2022, according to secondary data from the municipality's Urban Land Administration Office.

Hence, the literature reviews (Dadi, 2018) and interviews uncover that the land supply, in major urban areas of Ethiopia like Bahir Dar City, is failing to meet the demand for housing. This shortage has had a major impact on the housing supply sector, as the lack of secure leasing options creates uncertainty and disrupts construction. Due to limited lease availability and the absence of supportive legal frameworks, potential homeowners often face barriers, which limit their direct access to residential land for housing development. Instead, they are left with options such as speculative buying rather than straightforward acquisition for building. As a result, housing projects experience delays, and completed houses often take longer to become fully operational, adding administrative problems. Informal land suppliers, particularly expanding farmlands, are becoming increasingly prominent in residential land supply.

In conclusion, urban land supply for housing and other development needs in Ethiopia remains insufficient to meet the rising demand due to policy, administrative, and coordination challenges in the sector. The lease policy restricts the government to be the sole provider of serviced land for housing and urban uses, and the current land value capture provisions are inadequate to fully support urban land servicing. Although municipalities possess ample land resources for multiple uses, they are constrained in their ability to produce, prepare, and supply land effectively to meet community needs. Consequently, urban areas, including Bahir Dar City, face a significant housing shortage, leaving residents to contend with high rental costs and congested living conditions.

4.1.4.2 Barriers in Urban Land Administration

Effective urban land management depends on accurately identifying, registering, and documenting land parcels to secure ownership rights and prevent disputes (Chekole et al., 2020). An efficient land administration system should prioritize a strong land registration framework that ensures land tenure security, facilitates land use planning, and enables real property assessment for taxation and infrastructure development (Ameyaw and de Vries, 2021). According to the Ethiopian Policy Institute, urban areas are estimated to cover about 6,900 square kilometers (km^2). It is estimated that there are over 6 million land parcels and high value properties in Ethiopian urban areas. Registering these assets, securing

ownership, and integrating them into the capital market are critical for overall urban development. Unfortunately, national cadastral coverage remains below 6%, to date of 2023.

However, Ethiopian urban areas in general and Bahir Dar City in particular are passing through land administration related barriers related to, identifying urban land capacity and developing an urban land banking system, urban land renewal and use of underutilized sections of urban areas to support the land supply system, urban land value capturing to service urban land for supply, peri-urban land acquisition with inclusive development of the farmers.

There is no well-organized urban land banking system in urban areas of Ethiopia (Wubneh, 2018). In this regard, there is no system which identifies and catalogues the land resources because land identification and production are subject to the revenue of the municipalities. According to the interview data from the urban land administration managerial staff, the urban land source is mostly driven from the peri-urban agricultural land holdings. There are 10 rural administrative kebeles (the smallest administrative unit in Ethiopia) under the urban administration, yet their land use is for agricultural purposes. Due to the municipality revenue problem, the land is not compensated and expropriated, it is still under the holding right of the farmers. This is reflected by the views of the following interviewee:

> *"... Bahir Dar City due to its flat topography in its transitional zones, is lucky in the land resource. However, all land resources are not fully identified and banked. This is because all land in the structural plan region of the city is under the farmers' freehold possession. We have to pay advance compensation for them to expropriate and include to the urban land bank. However, the municipality is unable to cover the cost, resulting in the land remaining in the hands of the farmers and exposed for informal transaction before formal expropriation…"*

Municipalities in Ethiopia often expand outward while leaving central zones underutilized (Adigeh and Abebe, 2023; Ayenachew and Abebe, 2024a; Keller and Mukudi Omwami, 2017). A significant portion of the country's urban land is inefficiently used, with 74%

classified as unsuitable for habitation and requiring redevelopment (Ozlu et al., 2015). Many buildings are poorly constructed with mud and wood, lacking essential services like water, roads, and waste disposal, which makes these areas unfit for residence and heightens health risks (Zhang et al., 2019). For instance, the Addis Ababa Master Plan identifies over 38,000 hectares (72% of the city) that require substantial redevelopment, and over 85% of older urban areas like Desena and Jimma also need renewal. Municipal audits have yet to capture underused lands in urban pockets or formally register them in the land bank, missing a key opportunity to enhance the urban land supply. According to Zhang et al. (2019), 25% of Bahir Dar City's urban area is underutilized and could be redeveloped to meet housing and other urban land needs.

The other critical administrative problem is the land value capturing to finance the land preparation and servicing. To ensure that increases in land value resulting from public investments, such as infrastructure development, benefit the community, mechanisms must be implemented to capture this value through taxes or other methods that finance further urban development. Studies indicate that the revenue generated from land transfers often fails to cover the costs associated with land preparation. The prevailing lease proclamation declares that land developers should pay the lease price at a minimum calculated to refund its servicing. However, the payment is usually due after servicing, and the amount is not the whole stated, but starting from 10%. In this perspective, the principle is the municipality funds 100% to provide basic services of the land, but the developer's request advance payment starting from 10%, the remaining to be paid in the lease period. This handicaps the urban land supply capability of municipalities of the country, which affects greatly the housing development.

Moreover, urban land administration in Ethiopia, particularly in Bahir Dar City, faces challenges due to an institutional integration barrier. Coordination issues persist from federal to regional and municipal levels, impacting the preparation, servicing, and transfer of urban land to developers. While federal and regional governments are primarily tasked with enacting laws regarding land use and conservation, municipalities bear the responsibility for land administration. At the federal level, actions are limited to collecting

reports from regional authorities, while regional governments play a minor role in the operational aspects of urban land administration.

Consequently, municipalities are solely responsible for planning and supplying urban land to meet local demand, often resulting in accountability challenges for urban land institutions due to inefficiencies. This sentiment was reflected by a managerial level interviewee from the ministry, who noted:

> *"... land administration for both urban and rural is exclusively left to the regional states. Regions, particularly municipalities are the owners of the land under their jurisdiction. The federal level is responsible for checking the land use laws and policies to be functional, and we are here to give support upon their request, and we are limited on collecting reports on the plan and implementation levels of urban land administration..."*

Additionally, the lack of coordinated administration among various relevant offices and institutions worsens these issues, leading to further inefficiencies. For example, there is minimal integration between the land administration office and the housing development office, as highlighted by an interviewee from the Bahir Dar City municipality's housing development office. No mechanism exists to hold the land management office accountable for ensuring a sufficient land supply for housing development.

In general, in Ethiopian urban areas, there is currently a lack of organized information, making comprehensive land management nearly inefficient. This slow progress is attributed to various factors, including insufficient commitment from management, delays in defining clear property rights, poor execution of cadastral projects, limited public and expert awareness, and inadequate coordination among stakeholders. Moreover, the cadastral system currently in use does not account for Ethiopia's unique implementation capacity and lacks integration of lessons learned from rural land management practices. Addressing these challenges is vital to unlocking the potential of urban land resources.

4.1.5 Prospective Enhancements to Improve Urban Land Supply for Housing Development

To ensure adequate land provision for residential needs, the existing urban land and housing development legal framework and administrative practice shall be improved, intending to facilitate expanding land supply to address the increasing demand for housing (Adam, 2014). There must be a strategy to provide urban land used for housing development both vertically and horizontally, by breaking the current urban land supply system, which is inefficient and unprecedented (Emiru et al., 2023).

The first issue which shall be fixed is the registration and information system for land and real estate is fundamental for urban development. In urban areas, significant wealth is derived from land and real estate (Berrisford et al., 2018; Ng and Lo, 2015; Yimam et al., 2022). This wealth is crucial for urbanization and can facilitate capital development, reduce the risks associated with land ownership, and support users in urban areas by providing the necessary resources for housing development. The municipalities should have a proper land banking system with all the land resource potential fully identified and recorded, which helps to supply land based on the existing land capacity and demand for housing development and other uses (Sasu et al., 2024).

One of the problems that gear back the land supply system sort of the urban land demand for housing development is the shortage of funds to expend the land compensation while expropriation expansion areas land for urban development like housing (Ayenachew and Abebe, 2024b; Belete and Gezie, 2017; Cao et al., 2020). From their experience and long exposure to the urban land administration of Bahir Dar City, the interviewees stressed that the first thing to be solved must be the fund to expand the supply of urban land and services with basic infrastructures. This could be seen from the views of the following interviewee:

> *"... We see the acute urban land demand; we wish to provide but the municipality is unable to finance the land acquisition and preparation. That is why while the demanders usually reach hundreds of thousands, we supply land in hundreds for housing. Only a few at the top income level households can afford the competitive*

price. While the mass of the urban residents (75%) wants the municipality supply land for housing at the benchmark price, which is far short to cover land servicing…".

This indicates that the first thing to be done to improve urban land supply is to establish an urban land development fund. Studies prove that urban land supply sustainability is usually subject to the urban land development fund (Berto et al., 2020; Owoeye and Adedeji, 2015). This initiative seeks to provide land in a more comprehensive and accessible manner, effectively addressing housing shortages. By embracing transparent and effective management, the new land allocation system will respond to the community's needs, encouraging greater social engagement and participation.

Urban redevelopment strategy to attain optimal land use as an option of urban land supply for housing. Urban redevelopment is an integral part of the natural process of urban growth (Ng and Lo, 2015). The infrastructure and technology that were used in the past require continuous upgrades to match the advancements in capacity and technological progress. This tends to develop the internal part of the urban areas before looking for expansion. When land is sought for development, attention must be given to revitalizing areas that can be easily improved rather than expanding outward unnecessarily. Expanding the city's periphery while the centre remains underdeveloped leads to the separation of residential areas from workplaces, contributing to inefficiencies. Instead, development should prioritize the integration and improvement of existing land users, making them active participants in the process rather than displacing them. This approach fosters more sustainable urban development.

Moreover, when constructing or updating commercial buildings without requiring new land for housing, increasing land use density can foster additional housing opportunities within existing areas. Supported by legal frameworks and urban planning, this approach encourages the redevelopment of informal settlements and enhances land use efficiency (Koetter et al., 2021). For housing, land set aside for residential or mixed use can be better utilized by encouraging upward expansion where feasible, allowing for additional units

over time. This strategy promotes shared living, avoids the need for extensive new infrastructure, and supports the creation of compact, efficient urban areas.

Another key issue in urban land management that needs addressing is the involvement of the private sector in land servicing and supply. Updating the lease law is essential, as it currently grants the government sole rights and responsibilities for land servicing and supply across various urban developments (Danso Wiredu, 2018). However, allowing private developers to sub lease, service and supply land could create an opportunity to support housing supply indirectly. The use of short term leasing arrangements will allow the land's resources to be utilized efficiently and collaboratively. Through partnerships, especially around industrial parks, this strategy will strengthen land access for housing and business, supporting urbanization while preserving the community's livelihood. To implement this effectively, updating leasing and construction laws to accommodate vertical growth and intensified land use is necessary. This will make the regulatory framework conducive to efficient land use, compact city models, and sustainable urban development.

In general, to meet the rising housing demand, it is essential to enhance urban land and housing frameworks through efficient land use, both vertically and horizontally. This involves creating strong land registration systems and comprehensive land banking to better align land resources with housing needs. Addressing funding shortages for land compensation in urban expansion can be achieved by establishing a dedicated urban land development fund, supporting a steady land supply. Prioritizing urban redevelopment over outward expansion will help combat sprawl while increasing land density in existing areas can provide additional housing without costly new infrastructure. Allowing private sector participation in land servicing, with updated lease laws, will further support sustainable, efficient urban growth.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides a concise summary, concluding insights, and future research suggestions on urban land acquisition for housing in Bahir Dar City, Ethiopia. It consolidates the study's rationale, objectives, methodologies, and findings, along with research limitations. The conclusion section highlights key insights aligned with each research objective, examining urbanization and land acquisition processes, challenges in formal and informal land acquisition, and the policy barriers affecting housing land supply in Bahir Dar City. The recommendations section suggests targeted policy and practical measures to address these challenges, promoting efficient and equitable land distribution. Finally, the future research section outlines gaps and potential avenues for further study, contributing to a deeper understanding of urban land dynamics and sustainable housing strategies.

5.2 Conclusion

Bahir Dar City is experiencing rapid urbanization, with a 7% annual growth rate driven largely by migration. Since 2018, ethnic-based conflicts in other regions have intensified migration to the city, transforming it into a sanctuary for displaced populations. This influx has significantly increased housing demand, straining limited land resources and complicating urban land acquisition. Both formal and informal methods, including government-led expropriation of peri-urban farmland, are employed to meet housing needs. This conversion has reduced agricultural land, expanding built-up areas and altering land use patterns.

Ethiopia's broader urbanization trend mirrors this dynamic, particularly in Bahir Dar City and the Amhara region, where improved socio-economic conditions and forced migration drive high urban land demand. Government expropriation remains the primary land acquisition mechanism, guided by policies that balance development needs with peri-urban

farmers' rights. However, expropriation disrupts livelihoods, as compensation—based on a fifteen-year crop value—fails to reflect long-term land worth. Displaced farmers, often lacking urban-specific skills, face economic challenges and lower socio-economic mobility.

This study underscores the profound impact of urban land acquisition, particularly expropriation for housing, on Bahir Dar City's growth and displaced landholders' economic stability. Sustainable land management policies ensuring equitable land distribution, fair compensation, and support for rural-urban transitions are crucial to mitigating socio-economic inequalities and fostering sustainable urbanization.

The cooperative housing model in Bahir Dar City, guided by Ethiopia's Regulation No. 9/2013, aims to provide affordable housing for low- and middle-income residents. While 31,596 residential plots have been allocated since 2014, challenges such as prolonged land allocation delays, high construction costs, and restrictive eligibility criteria hinder its effectiveness. Despite efforts to refine policies, financial barriers—exacerbated by high building standards like the G+1 villa requirement—have made the program inaccessible to many intended beneficiaries. To enhance inclusivity, policy reforms should focus on dedicated land reserves, accessible housing finance, streamlined eligibility criteria, and affordable building standards.

Informal land acquisition remains prevalent due to gaps in the formal land supply system, administrative inefficiencies, and socio-economic pressures. Transactions involve landholders, brokers, buyers, and local administrators in structured yet unofficial dealings. While the government's response includes eviction, partial regularization, and passive tolerance, informal settlements persist as a response to unmet housing needs. Addressing these challenges requires a more adaptive and inclusive formal land acquisition framework, improved compensation for expropriated landholders, and better access to affordable land, ensuring sustainable urban growth in Bahir Dar City.

Addressing these challenges requires policy revisions and operational improvements. Strengthening land registration systems, implementing strong urban land banking, and

introducing an urban land development fund could significantly improve the land supply process. Furthermore, urban redevelopment strategies, which focus on optimizing underutilized urban areas, can help reduce the need for expansion into peri-urban zones. Allowing private sector participation in land servicing through lease law adjustments would facilitate more inclusive and sustainable land management. To meet housing demand effectively, Bahir Dar City and other Ethiopian urban areas must prioritize an integrated approach to urban land supply, balancing land administration reforms with community focused development strategies.

5.3 Recommendations

This section presents recommendations based on the findings and conclusions to improve urban land acquisition for housing in Bahir Dar City, supporting equitable access, sustainable urban growth, and efficient land management practices.

a) Strengthening Formal Land Acquisition Policies and Practices

- Implement Comprehensive Land Use Policies: Given the rapid urbanization in Bahir Dar City and the demand for housing, city administrators and urban planners must establish clear, comprehensive land use policies that prioritize efficient land allocation for housing. Policies should balance urban development with the preservation of peri-urban agricultural land, supporting a sustainable approach to urban growth.
- Reform Expropriation and Compensation Policies: The current expropriation policy, which compensates peri-urban landholders based on a fifteen-year crop value, is inadequate and contributes to socio-economic dislocation. Revising compensation to reflect the land's full value and the economic transition of affected individuals would mitigate livelihood disruptions and incentivize peri-urban residents to engage in formal land transactions rather than informal sales.
- Develop a Transparent Expropriation Process: A transparent process that includes fair compensation, timely communication, and assistance programs for displaced individuals will improve relations between peri-urban residents and municipal authorities, fostering cooperation in urban land acquisition.

- Enhance Urban Rural Land Conversion Mechanisms: To address the shortage of urban land, a more streamlined urban rural land conversion process, aligned with current urban expansion needs and environmental considerations, will facilitate a balanced supply of land for housing and urban development.

b) Improving the Cooperative Housing Model

- Create Affordable Financing Options: The high financial burden of meeting prescribed building standards in cooperative housing has limited access for low- and middle-income households. Establishing accessible financing programs tailored to cooperative members can help them meet initial and ongoing construction costs. Options such as low interest loans, subsidies, and instalment payment plans could make housing costs more manageable.
- Adopt Flexible Building Standards: Reassessing and potentially lowering building standards for cooperative housing to align with members' financial capacity of urban areas can reduce costs and improve accessibility. Alternative construction models, such as single-story homes or incremental housing, should be explored to accommodate low-income households.
- Improve Timeliness of Land Allocation: Delays in land allocation undermine the effectiveness of the cooperative housing program. City planners should introduce a demand responsive annual planning system to allocate land to cooperatives on a set schedule, reducing wait times and ensuring that land is available when demand arises.
- Increase Cooperative Plot Sizes and Green Spaces: Given that current cooperative plot sizes are often seen as insufficient, expanding these sizes where possible will help improve residents' quality of life by allowing space for greenery and social areas, creating more livable environments and fostering sustainable urban practices.
- Strengthen Administrative Capacity and Reduce Bureaucracy: Reducing procedural inefficiencies and enhancing transparency within the cooperative housing model can expedite the certification and allocation processes. Clearer guidelines, regular audits,

and training for officials involved in land allocation and cooperative management can help reduce barriers, increase transparency, and discourage fraudulent practices.

c) Integrating Informal Settlements into Formal Urban Development

- Adopt an Inclusive Regularization Strategy for Informal Settlements: Rather than pursuing widespread evictions, city authorities should implement a policy that facilitates the integration of informal settlements where possible. This approach could include formalizing land titles, offering infrastructure improvements, and granting access to essential services, thereby improving living conditions and fostering community stability.
- Strengthen Affordable Land Supply Systems: To curb the growth of informal settlements, Bahir Dar City's land administration must develop affordable, accessible options within the formal land acquisition system. Introducing subsidized land plots for low-income households and reducing bureaucratic barriers for obtaining land legally will help redirect demand from the informal market to formal channels.
- Establish Clear Regulations for Brokers and Local Administrators: Informal brokers play a significant role in the informal land market. Establishing a regulated framework for brokers and informal agents could streamline and monitor land transactions, promoting legal standards and reducing the exploitation of low-income residents. Collaborative training and certification programs for brokers would encourage compliance with formal land acquisition policies.

d) Enhancing Administrative and Institutional Capacity for Urban Land Management

- Develop a Centralized Urban Land Management System: A centralized digital land management system can improve administrative efficiency and transparency in land allocation, transaction monitoring, and housing development. Implementing a Geographic Information System (GIS) based land registry would provide accurate data

on land use, enabling informed policy decisions and easing land access for developers and residents.

- Improve Collaboration Among Key Stakeholders: Effective land acquisition for housing requires cooperation between municipal authorities, peri-urban residents, developers, and community members. Establishing a formal consultation mechanism where stakeholders can address concerns and collaborate on solutions will foster trust, reduce conflicts, and create a more inclusive planning environment.
- Invest in Urban Planning and Housing Development Capacity: Training programs and capacity building initiatives for city officials, urban planners, and other relevant personnel are essential to modernize land administration in Bahir Dar City. These programs should cover urban planning best practices, equitable land management, and community engagement strategies, equipping staff to handle rapid urbanization and increased housing demand more effectively.
- Allocate Resources for Sustainable Urban Planning: Ensuring that Bahir Dar City's rapid urbanization is sustainable requires ongoing financial support and human resources for urban planning. Designated funding for land acquisition, housing programs, infrastructure, and green spaces can support the city's long-term growth and create a balanced urban environment.

By implementing these recommendations, Bahir Dar City can move toward a more sustainable and equitable approach to urban land acquisition and housing development, addressing current challenges and anticipating future needs as urbanization continues.

5.4 Further Research Areas

Based on the findings and conclusions of this dissertation on urban land acquisition for housing in Bahir Dar City, Ethiopia, several future research areas emerge to further address the gaps and challenges identified in this study. These areas can deepen understanding and provide additional insights to guide effective urban land management and sustainable housing development:

a) Impact of Expropriation on Livelihoods and Socio-economic Integration of Displaced Farmers
b) Sustainable Land Management Strategies in the Face of Rapid Urbanization
c) Financing Mechanisms for Cooperative Housing and Affordable Housing Schemes
d) Urban Informal Settlements and Pathways to Formalization
e) Assessment of Policy and Administrative Barriers in Urban Land Supply Systems
f) Socio Spatial Impacts of Gentrification and Urban Expansion in Bahir Dar City
g) Role of Customary Practices in Informal Land Transactions and Potential for Formal Integration
h) Public Participation and Social Accountability Mechanisms in Urban Land Management

Finally, future research could explore the role of public participation in urban land management and how social accountability mechanisms can be strengthened to ensure transparency and inclusiveness. By assessing participatory land planning models and feedback mechanisms, research could provide recommendations on fostering greater community engagement and trust in urban land allocation and housing development processes.

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ANNEXES

Annex 1: Interview and FGD Checklists

Objective 1 Interview checklist

Participants: Senior land development officers, kebele leaders, peri-urban farmer households

1) What criteria or processes does your office use to determine land for expropriation in peri-urban areas of Bahir Dar?
2) Can you describe the regulatory frameworks or policies that govern land expropriation in Bahir Dar?
3) How does your office collaborate with local authorities and communities when implementing land expropriation?
4) What specific challenges do you face while implementing land expropriation laws in Bahir Dar's peri-urban areas?
5) In your view, how adequate are the compensation mechanisms for farmers affected by land expropriation?
6) What are the key challenges faced by farmers when adapting to the urban land acquisition process?
7) How do communities generally respond to land expropriation and urban expansion, and what coping strategies do they use?
8) What support programs exist to assist farmers in adjusting to post-expropriation changes, and how effective are they?

Objective 1 FGD checklist

Participants: Peri-urban farmers who have partially or fully submitted land for urban use

1) How has peri-urbanization affected your life and livelihood, particularly in relation to land expropriation?
2) Were you informed about the land expropriation process, and were you given a choice in the matter?
3) What challenges or concerns did you face when asked to give up your agricultural land for urban expansion?
4) Were you fairly compensated for the land you lost, and how timely was the compensation process?
5) How have you adapted your livelihood since losing access to agricultural land due to urban expansion?
6) What social and economic impacts have you experienced as a result of land expropriation and urbanization?

KII Checklist: Second Objective

Participants: Urban planners, senior officers from urban land management and cooperative expansion offices, cooperative housing committee members

1) What are the primary goals of the cooperative housing scheme in Bahir Dar, and how do they align with the city's housing needs?
2) What policies and procedures govern land acquisition specifically under the cooperative housing scheme?
3) Can you describe the land acquisition process for cooperative housing, including the key steps involved?
4) What challenges does the cooperative housing sector face in meeting the demand for housing land?
5) What would you say are the main strengths and limitations of the cooperative housing policy?
6) How well do current cooperative housing policies address the affordable housing needs of low- and middle-income residents?
7) What specific challenges have you faced in implementing the cooperative housing program, especially in terms of land allocation or infrastructure?
8) How do delays in land allocation or inadequate infrastructure affect the success of cooperative housing projects?
9) How effective is the coordination between city departments in facilitating land access for cooperative housing?

FGD Checklist: Second Objective

Participants: Cooperative housing members (those who have received land, those who haven't built yet, and those on the waiting list)

1) What was your experience with the process of acquiring land for cooperative housing, and what were the key challenges you faced?
2) For those who received land, can you describe your journey from receiving land to starting construction, and what were the main obstacles?
3) How has the waiting period for land allocation impacted your housing plans, especially for those on the waiting list?
4) What specific challenges did you face when accessing land or starting construction under the cooperative housing scheme?
5) How has the cooperative housing scheme met or fallen short of your expectations, and in what ways could it be improved?
6) Are there particular aspects of the cooperative housing program that you think should be changed to make it more effective?
7) How has being part of a cooperative housing scheme affected your economic situation or financial stability?
8) Has your involvement in cooperative housing led to any significant changes in your community relationships or social support?
9) How has the cooperative housing scheme helped or hindered your family's access to affordable housing in Bahir Dar?
10) How do you view the current cooperative housing policies, Proclamation 9/2013, and do you think it meet the needs of cooperative housing members?

KII Checklist: Third Objective

1) Can you describe the current state of informal land acquisition for housing in Bahir Dar City, and how prevalent is it?
2) What factors influence people's decision to choose informal land acquisition over formal methods in Bahir Dar?
3) How has the growing demand for housing contributed to the rise of informal settlements in the city's expansion areas?
4) What are the main reasons people preferring to buy or sell land through informal channels instead of formal ones?
5) Can you walk me through the typical process of an informal land transaction, from initiation to completion?
6) What role do brokers, local officials, and elders play in facilitating informal land transactions in Bahir Dar?
7) How do socioeconomic factors like income levels or employment opportunities influence people's involvement in informal land acquisition?
8) What governance-related challenges or gaps contribute to the prevalence of informal land transactions in Bahir Dar?
9) What are the risks or challenges faced by buyers and sellers in informal land transactions, and how do they address them?
10) How has the growth of informal settlements affected the community, both socially and economically, and are there specific neighborhoods where informal land acquisition is more common?

KII Checklist: Fourth Objective

Participants: Land sellers, buyers, brokers, kebele administrators, code enforcement experts, and local elders

1) Can you describe the current state of urban land acquisition for housing development in Bahir Dar City, including both challenges and opportunities?
2) How would you characterize the gap between the demand for urban land for housing and the available supply in Bahir Dar City?
3) What are the main sources of urban land for housing in Bahir Dar, and how are they managed to meet housing needs?
4) Could you outline the key legal and policy frameworks governing urban land acquisition and housing development in Bahir Dar City?
5) How effective do you believe the current legal and policy frameworks are in supporting urban land acquisition for housing development?
6) Are there specific aspects of these legal and policy frameworks that create challenges or obstacles to securing land for housing?
7) What are the primary administrative challenges that hinder efficient urban land acquisition for housing development in Bahir Dar?
8) Can you discuss any policy barriers that particularly hinder urban land access and housing development in the city?
9) How do coordination challenges between federal, regional, and municipal government levels impact the urban land acquisition process?
10) What is the current status of urban land registration in Bahir Dar City, and what challenges or opportunities does it present for housing development?
11) Can you describe the city's progress in banking its land resources, and how does this impact the availability of land for housing?
12) How effective is the urban land leasing system in meeting the demand for housing development, and are there any limitations in this system?
13) Are there any successful practices or solutions from other Ethiopian cities that Bahir Dar could adopt to improve land acquisition for housing?

Annex 2: Observation Checklists (Guide)

1) Observe physical changes in peri-urban areas due to urban expansion.
2) Assess the socio-economic conditions of communities affected by land expropriation.
3) Evaluate the proximity between urban expansion areas and agricultural communities.
4) Observe physical development and infrastructure at cooperative housing sites.
5) Note the status of housing construction (completed vs. ongoing) in cooperative housing areas.
6) Assess the availability and condition of basic infrastructure (roads, water, electricity) near housing plots.
7) Observe the types and conditions of housing (temporary vs. permanent, materials used) in informal settlements.
8) Assess the availability of basic infrastructure (roads, electricity, water, sanitation).
9) Identify areas of expansion, especially towards peri-urban and rural zones.
10) Look for signs of recent land development or construction, indicating new informal land acquisitions.
11) Note any visible land boundaries or markers in the absence of formal demarcation.
12) Observe community interactions (e.g., local gatherings, informal markets).

Annex 3: Secondary Data Shots

Sample Contract Agreement Format for Informal Land Transaction

ቀን .....

በአዳ /ብድር/ ምትክ የተደረገ የይዞታ ቤት ርክክብ ውል ስምምነት

ውል ሰጭዎች፡ 1 ..... አድራሻ .....

2. ..... አድራሻ .....

ውል ተቀባይ፡ ..... አድራሻ .....

እኛ ስምና አድራሻችን ከላይ የተጠቀስነው ውል ሰጭዎችና ውል ተቀባይ በፍትሐብሔር ህግ ቁጥር 1831, 1832, 1675, 1679, 1680, 1719, 1731/1/፣ 2266, 2273, 2274 እና 2875 መሰፈርት ወደንና ፈቅደን ከዚህ ቀጥሎ የሚገኘውን የይዞታ ቤት በአዳ ርክክብ ውል ስምምነት በእማኞች ፊት ፈጽመናል።

እኛ ውል ሰጭዎች/አስረካቢ/ ባልና ሚስት ስንሆን በዚህ በባ/ዳር የከተማ ወሰን ውስጥ በውል ሰጭ ..... የይዞታ ቦታ ላይ በእንጨት የተሰራ ክዳኑ ቆርቆሮ የሆነ ..... ክፍል ቤት ስፋቱ ..... ካሬ ሜትር የሚሆን፤ አዋሰኙ በሰሜን .....፣ በደቡብ .....፣ በምስራቅ ..... እና በምዕራብ ..... የሚያዋስነውን የይዞታ ቤታቸንን ቀደም ሲል በወቅቱ ለጨግራችን የሚሆን ብር ..... (.....) ለመክፈል ስላቃተን የብድሩን ውል ቀደን ከዚህ በላይ የተጠቀሰውን የይዝዞታ ቤታችንን በእዳው ምትክ ቤቱን አስረክበን ይህንን ውል በውዴታ ብእማኞች ፊት ፈጽመናል።

እኔም ውል ተቀባይ /ተረካቢ/ ..... ከላይ በተጠቀሰው ውል መሰረት ከውል ሰጭዎች ላይ በዚህ በባ/ዳር ከተማ ቀበሌ ..... ውስጥ የሚገኘውን የይዞታ ቤታቸውን ቀደም ሲል ለችግራቸው የሚሆን ያበደርኳቸውን ብር ..... (.....) እንዲመልሱልኝ በተደጋጋሚ ብጠየቃቸውም ዕዳውን መመለስ ስላልቻሉ በሽማግሌ ተደራድረን ከላይ የተጠቀሰውን የይዞታ ቤታቸውን በዕዳው ምትክ ተረክቤ ይህንን ውል በእማኞች ፊት ፈጽሜአለሁ።

የውል ሰጭዎች የውል ግዴታ

እኛ ስምና አድራሻችን ከላይ የተጠቀስነው ውል ሰጭዎች /አስረካቢ/ ..... ልውል ተቀባይ /ተረካቢ/ ..... በዕዳ ያስረከብነውን የይዞታ ቤታችንን በተመለከተ ከእርሱ ከተረካቢው በስተቀር በእዳ እገዳ በባንክ በውርስ ይዝዋለሁ ወይም እኩሌ ነው የሚል ጭቅጭቅ ቢነሳ በእኛ በውል ሰጭዎች ሙሉ ወጭ ከማንኛውም ችግር ነጻ አድርገን ልናስረክበው ይህንን የውል ግዴታ ገብተናል። በተጨማሪም በማናቸውም መስሪያ ቤት ስም ወደ ተረካቢው በሚዞር ጊዜ እኛ ከተፈለግን ልናዞርለት ወደንና ፈቅደን ይህንን የውል ግዴታ ገብተናል።

የውል ተቀባይ /ተረካቢ/ የውል ግዴታ

እኔ ስምና አድራሻዬ ከላይ የተጠቀሰው ውል ተቀባይ /ተረካቢ/ ..... ከውል ሰጭዎች ከአቶ ..... እና ከወ/ሮ ..... ላይ የተረከብሁትን የይዞታ ቤት የስመ ንብረት ማዛወሪያ ወጭውን በተመለከተ በራሴ ተረካቢው ልሸፍን ይህን የውል ግዴታ ገብቻለሁ።

የውል ሰጭዎችና የውል ተቀባይ የጋራ የውል ግዴታ

ይህንን ከላይ የተዘረዘረውን ውል ያፈረሰ ወይም ውሉ እንዳይፈጸም ያጉላላ፣ ያጓተተ ወገን ቢኖር በፍታብሔር ሕግ ቁጥር 1869 በሚፈቅደው መሰረት ለተጉላላ ወገን ብር ..... (.....) ከፍሎ ውሉ በሕግ ፊት የጸና ይሆናል።

የህንን ውል ስንዋዋል የነበሩ /ያዋዋሉ/ እማኞች

እኛ ከዚህ በታች ስማችን የተጠቀስነው እማኞች ውል ሰጭዎችና ውል ተቀባይ ከላይ የተዘረዘረውን ውል ሲዋዋሉና ሲፈራረሙ አይተንና ሰምተን እኛም በእማኝነት ፈርመናል።

የውል ሰጭዎች ስምና ፊርማ

1ኛ) ስም..... ፊርማ ..... ቀን .....

2ኛ ስም..... ፊርማ..... ቀን .....

የውል ተቀባይ ስምና ፊርማ

ስም..... ፊርማ ..... ቀን .....

የእማኞች ስምና ፊርማ

1ኛ) ስም..... ፊርማ.....

2ኛ) ስም..... ፊርማ.....

3ኛ) ስም..... ፊርማ.....

4ኛ) ስም..... ፊርማ.....

ከ2012 በጀት አመት በፊት የተጠቃለሉ ግንባታዎች መረጃ

ተ.ቁ	ቀበሌ/ክ/ከተማ	የቤቱ አይነት	የተገነባበት ዓ/ም						ን/ድምር	ጠ/ድምር	ምርመራ
			2006	2007	2008	2009	2010	2011			
1	ጣና ክ/ከተማ	ዋና ቤት	207	198	240	360	760	837	2601	2603	
		ኮንቲነር					1	1	2		
2	ሀዳር 11	ዋና ቤት				8	8	18	34	36	
		ኮንቲነር						2	2		
3	ግሽ አባይ	ዋና ቤት			1	1	152	323	477	477	
4	በላይ ዘለቀ	ዋና ቤት			1	23	29	306	359	359	
5	ግንቦት 20	ዋና ቤት						641	641	646	
		ኮንቲነር						5	5		
	ን/ድምር								4121	4121	
6	ወርቃምላ						100		100	100	
	ጠ/ድምር								4221	4221	

በ2012 በክ/ከተሞች እና ቀበሌዎች በወርሀዊ ሪፖርት የተሰበሰበ ህገ-ወጥ ግንባታመረጃ

ተ/ቁ	ክ/ከተማ / ቀበሌ /	በ2012 ቀበሌዎች/ ክ/ከተሞች በየወሩ በሪፖርት የላኩት መረጃ	ምርመራ
1	ጣና	627	
2	ግሽ አባይ	113	
3	ዳ/ሚኒሊክ	215	
4	ፋሲሎ	61	
5	በ/ዘለቀ	65	
6	ህ/11	129	
	ድምር	1210	

የህገ-ወጥ ግንባታመረጃ

ተ.ቁ	አመተ ምህረት	ብዛት	ምርመራ
1	2008	851	
2	2009	1575	
3	2010	1842	
4	2011	2732	
5	2012	1765	
6	2013	136	
7	2014	230	
	ድምር	9131	

የገጠር ቀበሌዎች ሕገ ወጥ ግንባታ እና በህጋዊ ፈቃድ የተገነቡ ቤቶች መረጃ

ተ/ቁ	ክ/ከተማ/ቀበሌ	የግንባታው አይነት	የተገነባበት ዓ/ም								ንዑስ ድምር	ጠ/ድምር	ቦታዉ የተያዘበት			የቦታዉ አገልግሎት			የፈቃድ ሁኔታ			አ/አ ደር	ከሌ: የመጣ	ራተኛ	
			2006	2007	2008	2009	2010	2011	2012	2013			ግዥ	ወረራ	የራሱ	አገል/የሚሰጥ ንግድ	አገል/የሚሰጥ መኖሪ	አገል/የማይሰጥ	ያለው	የሌለው	የማይታወቅ				
1	አ/አለም	ዋ/ቤት						111			111	148			111				1269						
		ኮንቴነር					37				37		20		17										
2	ዘንዘልማ	ዋ/ቤት				137	201	540	100		978	978							256						
		ኮንቴነር									0														
3	ወረብ	ዋ/ቤት				378	131	23	206		746	746							206						
		ኮንቴነር									0														
4	ወረርቃ ምላ	ዋ/ቤት					100				100	100			100										
		ኮንቴነር									0														
5	ሰባታሚት	ዋ/ቤት			609	336	225	302	90		1562	1562													
		ኮንቴነር									0								775						
6	ወራሚት	ዋ/ቤት				11	42	100	58		211	211													
		ኮንቴነር									0														
7	ጭስ አባይ	ዋ/ቤት							32		32	32			31										
		ኮንቴነር									0														
8	መሸንቲ	ዋ/ቤት							68		68	68	65	3											
		ኮንቴነር									0														
ጠ/ድምር						862	736	1076	554		3845	3845	85	3	259				2506	0	0				

የክ/ከተሞች ሕገ ወጥ ግንባታ መረጃ **

ተ/ቁ	ክ/ከተማ/ቀበሌ	የዊንግ ታዉ አይነት	የተገነባበት ዓ/ም 2006	2007	2008	2009	2010	2011	2012	2013	ንዑስ ድምር	ጠ/ድምር	በታዉ የተያዘበት ሁኔታ: ግዥ	ወረራ	የራሱ	የቦታዉ አገልግሎት: አገል/የሚሰጥ: ንግድ	መኖሪያ	አገል/የማይሰጥ	የፈቃድ ሁኔታ: ያለዉ	የሌለዉ	የማይታወቅ	የባለቤቱ ሁኔታ: አ/አደር	ከሌላ የመጣ	መ/ሰራተኛ	ሌላ
1	ጣና	ዋ/ቤት	207	198	240	360	760	837	628		3236	3238	397	55	2780										
		ከቲነር					1	1			2				2										
2	ሀ/11	ዋ/ቤት				8	8	18	129		163	165	112	8	43										
		ከቲነር						2			2				2										
3	ግ/አባይ	ዋ/ቤት			1	1	152	323	113		593	593	381	91	118										
		ከቲነር									0														
4	በ/ዘለቀ	ዋ/ቤት			1	23	29	306	65		424	424	218	65	143										
		ከቲነር									0														
5	ዳ/ሚኒሊክ	ዋ/ቤት			321	156	164	215			856	861	107	10	744										
		ከቲነር					5				5				5										
6	ፋሲሎ	ዋ/ቤት						61			61	61			61										
		ከቲነር									0														
ጠ/ድምር			207	198	242	713	1106	1656	1211		5342	5342	1215	229	3898										

የባህር ዳር ከተማ አስተዳደር ... ማስከበር ጽ/ቤት

በ2012 በባለሙያ ስምሪት በቡድን የተሰበሰበ የገጠር ቀበሌዎች የግንባታ መረጃ

ተ/ቁ	ክ/ከተማ / ቀበሌ /	ህገ-ወጥ ግንባታ ብዛት	በቀበሌዉ ፈቃድ ተሰ፲ቸዉ የገነቡ ብዛት	ድምር
1	ወረብ	746	206	952
2	ዘንዘልማ	978	256	1234
3	ሰባታሚት	1562	-------	1562
4	ወራሚት	211	775	986
5	አ/አለም	111	1269	1380
	ን/ድምር	3587	2506	6104
6	ጭስ አባይ	31	-----	----
7	መሸንቲ	68	------	-----
	ን/ድምር	99	------	99
	ጠ/ድምር	3686	2506	6203

የ2012 ዓ.ም የገጠር ቀበሌ መረጃ፡ 6203

" የከ/ከተማ መረጃ = 1280

ከ2012 ዓ.ም በፊት የከ/ከተማ መረጃ፡ 4221

ጠቅላላ ድምር — 11634

የ2013 136

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9323

2008–2013

የባህር ዳር ከተማ አስተዳደር

ተ.ቁ	
1	

[illegible] 01/11/2012 [illegible] 01/11/2012 [illegible] 30/2013 ዓ/ም ድምር የህገወጥ ድርጊት መረጃ ማጠቃለያ ፎርም

ተ.ቁ	ወረዳ	በክ/ከተማው በገጠር ቀበሌ የተገነቡ ህገወጥ ግንባታዎች ብዛት በቁጥር		ድምር	ምርመራ
		የግንባታው አይነት	ብዛት		
1	ግሽ አባይ	ዋና ቤት	12	52	
		ኮንቴነር	4		
		በረንዳ	5		
		ሸድ	18		
		ቅጥል	3		
		አጥር	8		
		ሽንትቤት	2		
2	በላይ ዘለቀ	ዋና ቤት	5	6	
		የከብት ቤት	1		
3	ፋሲሎ	ዋና ቤት	12	17	
		ኮንቴነር	5		
4	ዳግማዊ ሚኒሊክ	ዋና ቤት	6	6	በስም ዝርዝር ያልመጣ
5	ጣና	ዋና ቤት	9	9	
6	ወረብ	ዋና ቤት	14	14	
7	ወይራሚት	ዋና ቤት	32	32	
	ድምር	136		136	

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Annex 4: Published articles