

EX POST EVALUATION OF SOCIAL HOUSING PROGRAMMES
Sector-based multi-project programme aimed at financing social housing
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Abstract

Background. The ex post evaluation appraised the results of a Sector-based Multi-project Programme (SMP) for Social Housing implemented in one of the CEB's Northern European member states. The CEB was to finance up to 50% of the total cost of the programme to the country's national housing fund. The purpose of the program was to contribute to the availability of long-term financing at attractive rates for social rental housing projects. Initially its main objective was to finance the construction of approximately 5 000 rental dwellings for low income people, thereby benefiting about 12 500 persons. However, only half of the loan was disbursed.

Evaluation findings. The most important legacy of this SMP was the construction of 2 512 social rental dwellings. Overall performance with respect to effectiveness and efficiency was strong. The system of procurement, monitoring and reporting was exemplary in many ways. Social and economic impacts were significant, particularly for the 6 000 tenants that benefited from efficient and effective provision of housing services in socially integrated neighbourhoods.

The CEB value added is significant and related to three aspects:

1. It provided low cost, long-term funding for social housing.
2. It was responsive to the National Housing Fund's needs, although the SMP design could have been more flexible.
3. The ex post evaluation provided explicit links of Programme results to sustainability of impacts and to the broader framework of social housing provision.

Lessons and recommendations:

This SMP for Social Housing can be considered 'good practice' with respect to supply-side housing finance intervention to address regional imbalances in the supply of affordable housing. It offers a model for social housing provision with adequate institutional arrangements and legal framework for management and maintenance. The model is effective with systems that ensure the institutional, financial and economic sustainability of social housing. The performance measurement systems utilised by municipal companies demonstrated high degree of professionalism, constant adjustment of service delivery to respond to tenant needs, and overall transparency and accountability.

Recommendations:

- Given the importance of social housing in CEB's portfolio, the Bank may consider the dissemination of Programme achievements to other member states. It offers a model for social housing provision with adequate institutional arrangements and legal framework for management and maintenance.
- The Bank needs to consider a revision of its monitoring system to make both ex ante and ex post evaluations more consistent and allow timely modification.
- Annual progress reports by the Borrower and CEB staff need to provide relevant overview of monetary policies, mortgage lending and fluctuations in capital markets to mitigate project risks and to ensure timely and swift responses to change.
- The CEB should try to better identify parallel financing by other international and European institutions to avoid overlap on one hand and to create synergies on the other.

Recommendations to the national housing fund and the Government point to the need to revisit the regulatory framework and ensure timely responses to changes in the market environment. A more targeted approach to demand subsidies should be considered as well as higher differentiation of rents in order to make the social rental system perhaps more efficient and equitable.