

EX POST EVALUATION OF SOCIAL HOUSING PROGRAMMES

Sector-based multi-project programme for social housing

May 2007

Abstract

Background. The Ex Post Evaluation Department assessed a Sector-based Multi-project programme (“SMP”) for the construction and modernisation of social rental housing in a Central European country (approved by the Administrative Council in 2001). The SMP had a total cost in excess of 350 m€, to which CEB contributed nearly half. The programme’s objective was to provide housing associations and cooperatives with preferential long-term financing for the construction and modernisation of dwellings in the regulated rental sector. It also aimed at introducing effective management methods and competition rules in the social rental housing market, assisting local authorities in performing their legal obligation to provide decent housing accommodation and promoting labour mobility; over 12 000 dwellings were constructed for some 39 000 dwellers in low income groups.

Main evaluation findings. The SMP was relevant, very effective in achieving its objectives and efficient in its management and cost control. Effectiveness, impact and sustainability all obtained the highest possible rating of 4 (very satisfactory). The loan contributed significantly to new social housing stock (co-financing 44% of total new social housing stock in 2001, 70% in 2002), and had a high impact, likely to be sustained. Tenants are satisfied with the dwellings’ environment, rent levels are affordable and cost recovery is satisfactory. A small number of apartments are reserved for persons with special needs. The evaluation also raises some issues. Although actual incomes of dwellers are lower than initially expected, the lowest income groups were only marginally targeted and this may not entirely correspond to the CEB mandate. Programme objectives were achieved, except for the promotion of labour mobility – a longer term objective the foundation of which is controversial. The achievement of the objective relating to the local authorities’ obligation is difficult to assess as it was not quantified. Also, it is unclear whether the programme responded to regional priority needs in social housing.

CEB added value was high because of the preferential rates of the loan and because without the loan, the national housing programme, and consequently social housing construction, would have slowed down or halted.

Lessons and recommendations to the CEB

- Although Borrowers’ income criteria can be followed (Res.1495), if they are less stringent than the eligibility criteria the CEB would apply in the absence of Borrower’s criteria, the CEB could finance project components most in line with its regular criteria. To assess the feasibility and relevance of doing so however, a clear needs analysis should be made ahead of the project. In the present case this analysis should have addressed, in particular, regional and local priority needs for social housing.
- The evaluability of a programme should be assessed upfront; this should include an assessment of the information that should be gathered for ex-post evaluation.
- Indicators and benchmarks for social sustainability of social housing projects should be further developed, taking into account the Borrower’s programme objectives and the CEB’s social mandate. Specific studies could be financed on this issue.
- The CEB could work together with Borrowers to identify good practices and help Member States’ Governments in the definition of their housing policies. This could be done in cooperation with other IFIs.
- The CEB should establish more systematic “competitive intelligence” regarding other donors in the social housing area. This should concern the analysis of parallel financing sources, the (financial) terms and conditions under which they are provided and the project selection criteria applied.
- The implementation and outcomes of the programme are exemplary, in particular in the context of transition, and could be taken as an example for other social housing programmes. The CEB should actively disseminate the set-up and results of this programme to other Member States.

Lessons and recommendations to the Borrower

- If the national housing programme is to contribute to labour mobility, hence to employment, this objective should be better founded by specific expected outcomes, attributed to the programme.
- The objective concerning the assistance to local authorities in providing decent housing should be further specified and quantified in order to better understand its relative importance among the different objectives.
- Rent cost and value for money for final beneficiaries should be further analysed, in particular for housing societies’ dwellings in relation to the desired target group and the expected affordability of rents.
- More clarity is needed about the actual level of (indirect) subsidies involved with the programme, particularly those provided by local authorities. The consequences of (the possible cancellation of) such subsidies on programme sustainability should be assessed.