

Executive Summary

Habitat for Humanity Ethiopia (HFHE), recognizing the pressing challenges of the provision and access to affordable housing in Ethiopia has initiated the pro-poor housing intervention programs. Specifically, there are three intervention modalities introduced at different stages; Mortgage housing scheme, housing for vulnerable group and urban slum upgrading which aimed at creating opportunities for vulnerable and low-income sections of the community in different urban centers of the country.

Conducting an impact evaluation is one of the important steps in any development project plan and

implementation mainly to evaluate the overall performance against the pre-stated objectives and to draw lessons and make decisions to scale up program. The current study was initiated to assess the impacts of housing programme implemented by HFHE. Accordingly, this study aimed at investigating the impact of home provision and ownership on the quality of life of the



Habitat village in Debre Berhan

program-participating households over HFHE's intervention timeline (1993 – 2022). Thus, this study investigated the relation between Home provision and ownership on homeowner's quality of life, using the following indicators; **safety, health, education, social connectedness, asset and wealth creation, and economic livelihood**. In general, the results of this impact evaluation study will serve a dual purpose: **accountability and learning**.

This study was conducted in regional states, towns, and cities where Habitat home ownership program was implemented namely: Addis Ababa, Debre Berhan, Debre Markos, Adama, Ambo, Fitcha, Shashemene, Jimma, Dessie, Kombolcha and Bahir Dar. Representative sample of 655 Habitat homeowners and 503 non-participant households (control group in the housing interventions program, varying in housing tenure) participated in this study through household surveys selected from these 11 cities/towns.

ORGANIZATIONAL MISSION AND VISION

Our Mission

Seeking to put God's love into action, Habitat for Humanity brings all people together to build homes, communities, and hope.

Our Vision

A world where everyone has a decent place to live

Our Key Principles

- *Demonstrate the love of Jesus Christ*
- *Focus on shelter*
- *Advocate for affordable housing & land tenure right*
- *Promote dignity and hope*
- *Support sustainable & transformative development*

Complete lists of the participant households were obtained from HFHE. For the control group, PSI used administrative data on the beneficiaries of the Urban-safety net program in the respective cities and towns to get comparable lists of households. In addition to that, 56 qualitative surveys were conducted with Habitat homeowners in Jimma, Shashemene and Dessie towns.

The study applied both descriptive statistics like average, standard deviation, t-test, ANOVA, and principal component analyses to compare the differences across the treated and control group for several variables of interest and advanced econometric method, Propensity Score Matching (PSM) estimation technique to establish the causal relationships between home ownership program and outcome variables (income, child education, health and wealth). The key findings are presented as follows:

Key Findings, Education outcomes:

Using the average scores of children in their last academic year of high school, standard regional and national test scores and math scores as academic performance indicators, the study indicated on average children from the home ownership program of HFHE performed and scored higher academic results than the control group. Although the results from the descriptive analysis show clear and visible differences in academic performance, the empirical analysis results reveal no statistical differences across the two groups.

PSM estimation results indicated that there is a statistically significant impact on education outcomes. Specifically, program participating households have higher average education expenditure by about ETB 2,527 (approximately USD 46.8) compared to households in control group. Similarly, children's average year of schooling is higher by about 2 years for housing program beneficiaries against control groups. In addition, children's rate of absenteeism from school was taken as one of the indicators to measure education outcome and the finding showed that a child from treated households has lower absence rates (by nearly two days) compared to those in the control group indicating that Habitat's home ownership program plays a key role in reducing average number of days children get absent from school in the last semester.



Children study in new home-Fitche

Health Outcomes: Better health outcomes were observed for program participant households as measured by child mortality, malnourishment, exposure to diarrhea, and visit made to a health center compared to control groups. Child mortality found to be lower by 2% and exposure to diarrhea was also lower by 4.5% for program participants which are statistically significant. A chi-2 test conducted to test for a significant difference on the frequency of visits made to health care centers also indicated that more visits are made by households in the control group by 1.7 times which is also statistically significant.

HFHE'S HOUSING PROGRAM HAS BROUGHT SIGNIFICANT IMPROVEMENT ON THE LIVES OF HOMEOWNERS WHICH IS MANIFESTED IN:

- *better safety*
- *improved health*
- *academic performance*
- *social connectedness*
- *asset and wealth creation*

Living Standards Outcomes: Based on the indicators used to measure living standards, a statistically significant difference is observed between the treated and control group. For instance, while 58.4 % of the households in the control group have poor housing quality only 22.3 % in the treatment group have poor quality houses. Similarly, the number of households with access to electricity, safe drinking water, improved sanitation facility, improved cooking methods and asset ownership in the treatment group are higher than those in the control group by 2.2%, 6.8%, 31.6%, 6.5% and 12.5%, respectively. A significant difference is also observed on household housing expenditure under the treatment group spent ETB825 (USD 15.3) and households under the control group spent ETB 1115(USD 20.6) per month on average terms. The analysis on living conditions before moving to Habitat

houses also indicates 76% of the households in the treatment group were living in rented houses before moving to Habitat provided houses, which justifies the significant decline in overall housing expense.

Income and saving Outcomes: Household income and saving as indicator of quality of life revealed that housing program participants have higher income and saving by about ETB 34,509 (USD 639.1) and ETB 14,017 (USD 259.6), respectively, compared to control group. This indicated that participating in HFHE housing program has contributed in asset building that generates additional income from house rent and business income, as confirmed by the participating households as it enabled them to save for further investment.

Wealth Accumulation Outcomes: Using wealth index to measure the socio-economic position of the households, descriptive and econometric findings of the study revealed that participating households are positioned in a better economic status than the households who are not participants of the home ownership program. Specifically, the results of PSM model indicated that, on average, the Habitat housing program participants have a 1.426 points higher wealth index than that of control group. Thus, HFHE housing provision program has played a key role in improving households' asset acquisition and ownership.

Multidimensional Poverty Index: Results from household survey show that average poverty among the families of the Habitat program is 0.403 which is less than the control group. This implies Habitat's home ownership program helped households to improve their MPI to move better than country level MPI (i.e., 53.3).

Conclusion and Implications

This impact evaluation study of HFHEs home ownership program on quality of life of partner households shows that the program has contributed to better outcomes as manifested in improving academic achievements of children and health conditions, creating wealth and asset accumulation, income, food security, living standards and reduction in the multidimensional poverty status of the households.

In general, the key benefits emanated from the implementation of Habitat's home ownership program included: *improved children's learning outcome and academic achievements, better student's study habit and lower absence rate, increased level of years of schooling, improved health status of the households, increased level of income and savings as well as better asset and wealth accumulation capacity of the households.* It has also enabled households to report better living conditions, better aspirations of the households about their children and increased level of social connectedness and participation in societal life. Based on the study findings, HFHE's hypothesis that provision of housing does not only target the physical structure rather it is a platform and foundation to access wider development



Family in Habitat home-Addis Ababa

opportunities that contribute to the multidimensional aspect of the human well-being: human development (health, education, and income/livelihood); economic development (economic growth and equality); and environment (resilience and safety) holds true. As such, home ownership programs need to be successfully scaled up, using analysis of the findings and lessons learned during project implementation to adapt the approach to specific contexts.

One of the key challenges in implementing the Habitat's home ownership approach was lack of coordination of capacity at lower level of administration specifically at the program area cities and towns, which threatens successful implementation of the program and any gains in improvement of quality of life of households. The local representative office (sub-branch of Habitat should) needs be established for smooth communication with the main office and to bring any issue related with the project to the local administration and concerned stakeholders on time. It is recommendable for HFHE to have liaison officers at the program participating cities and towns that can work closely with government sector, local community and partners for regular monitoring and implementation. The partnerships need to be fostered in the home ownership program-between HFHE, government agencies and local organizations-provide a key opportunity to mainstream the home ownership program into the government's implementation strategies for the urban sector and housing development.