

A PATH TO GREATER IMPACT ON HOUSING



Habitat for Humanity Ethiopia Strategic Plan (2026-2030)

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Addis Ababa, Ethiopia

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1. OUR NEW STRATEGY

The year 2026 marks the beginning of a new five years (2026-30) strategy that commits with a motto “A path to greater Impact on Housing”. As Ethiopia is among demonstration countries, aligned with HFH global and Africa Area Office strategic frameworks, it sets out an ambitious plan to grow HFHE’s impact on the lives of low income and vulnerable communities through **Building more and better homes, Transforming the housing system, and Inspiring action for housing**. It articulates our niches and offers with focus on opportunities for growth to make meaningful impact in addressing the housing deficit in the country.

The plan is developed after a rigorous analysis of the political, economic, and social

developments in Ethiopia and challenges associated with the housing context; it provides an overview of developments associated with systemic, structural, sectoral, and cross-cutting challenges; and redefines and guides HFHE’s strategic direction and focus on Ethiopia. It is informed by findings from the housing context analysis, SWOT analysis, and review of the previous strategic plan.

Stakeholders, partners and staff have been actively engaged and consulted at all stages of the planning process. Furthermore, the strategy is influenced and shaped by lessons, our knowledge base and experience from years of work in the housing sector in Ethiopia.



Together, we build joy.



2. WHO WE ARE

Habitat for Humanity in Ethiopia

Since its establishment in 1993, Habitat for Humanity Ethiopia (HFHE) has dedicated itself to assisting low-income and vulnerable families in escaping substandard housing. HFHE is committed to working collaboratively with local organizations and communities to enhance the lives of those in need by tackling the barriers that hinder access to decent and healthy housing.

Over the past three decades, these efforts have successfully transformed the living conditions of 170,000 families or 850,000 individuals across 20 communities, granting them access to improved housing as well as essential water and sanitation services. In studying the impact of HFHE's intervention in the last three decades, Policy Study Institute (2022) has identified that HFHE's housing initiatives have positively contributed towards improving the living standard, the income, saving and wealth accumulation capacity, and health and education system of the targeted community.

Particularly, with its current strategy, HFHE has attempted to follow integrative approach that has placed a due emphasis on the construction of climate-resilient houses, WASH, and livelihood improvement activities to enhance the lives of vulnerable communities in Addis Ababa and select secondary towns in Ethiopia. In addition to direct housing solutions, HFHE actively promotes secure land tenure, housing rights, and community empowerment through targeted capacity building initiatives. As a result, despite political and economic challenges, HFHE has become one of the major actors in the housing sector, working through strong partnerships and policy engagement to contribute to national and sustainable development goals, particularly in ensuring inclusive and sustainable housing for all.

VISION

A country where everyone has a decent place to live.

MISSION

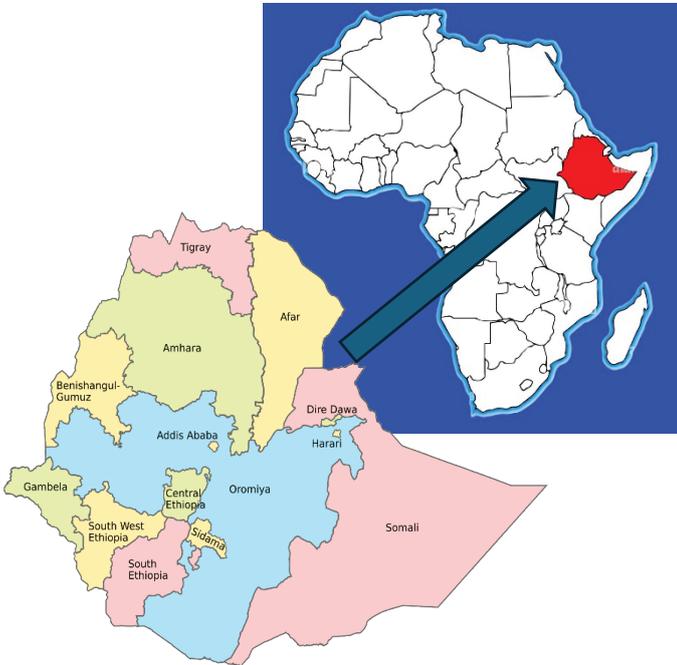
HFH exists in Ethiopia to address the critical housing needs of low income and vulnerable populations through innovative, sustainable, and inclusive solutions. Through strong partnerships and advocacy, HFHE empowers communities and families to build a better future by ensuring access to secure housing, promoting land and housing rights, enhancing disaster recovery and resilience, and fostering economic self-reliance.

FAITH FOUNDATION

We choose housing as the means to put our Christian faith into action **because housing is the foundation for health, education, wellbeing, equity and wealth of families and communities.** We are committed to loving all our neighbors, doing justice and walking humbly with God.

Irrespective of all the successes achieved in the past years, the current strategic plan review has identified challenges associated with both internal and external context. These include overwhelming demand for housing across the country, the stakeholders' limited capacity to balance/fill the growing housing deficit, HFHE's reliance on a costly delivery model, limited disaster recovery and resilience response, and underutilized potentials. In response, HFHE has embarked on its 2026-30 strategic plan, titled as **"A path to Greater Impact on Housing"**. This strategy is well informed by national, regional and global contexts, and is envisioned to lay a foundation for its future endeavors.

3. THE COUNTRY CONTEXT



3.1 Geography and Economy

Large and Diverse country with a land mass of 1 million Km². Land locked, low income. Population of 132 million (2024). The second most populous nation in Africa.

Youth under 30 years of age constitutes about 70% of the population. About 80% of the population rural dependent on subsistence traditional agriculture.

(24%) people of the country live under national poverty line, earning less than \$2.15 per day.

Ethiopia's growth record, in 2023 was 6.5 underpinned by a public sector-led investment model, supported by increased public borrowing.

Annual inflation is running at 23.95% (2024), putting it among a clutch of African nations with fast-rising living costs - from Ghana to Zimbabwe.

3.2 The Housing Context

This chapter covers a summary of findings of assessment and analysis of the national housing context with particular emphasis on issues of affordability, habitability, basic services and land tenure.

Enhancing the sustainable development of cities and mitigation of existing challenges particularly the imbalance between the demand and supply of residential through broadening financing options, provision of well-coordinated and adequate network of infrastructural facilities between and within cities/towns, setting a standard for the construction and maintenance of infrastructure are major focus areas of the Government urban development plan (2021-2030). The 10-year plan targets building more than 4.4 million houses in urban centers and another 600,000 houses through different supply modalities, in vicinity of Industrial Parks.

The housing context in Ethiopia is influenced by several interconnected factors, including demographic/social, economic, technological, policy and legal aspects. Together, these factors create both challenges and opportunities for addressing Ethiopia's ongoing housing deficit.

The analysis conducted by HFHE has underscored several critical issues that must be addressed to enhance access to housing for vulnerable populations and low-income families in Ethiopia. Central to these challenges are land tenure rights, housing finance, the regulatory landscape, private sector engagement, informal settlements, and the unique barriers faced by women and marginalized groups (e.g., people living with disability) in accessing secure housing.

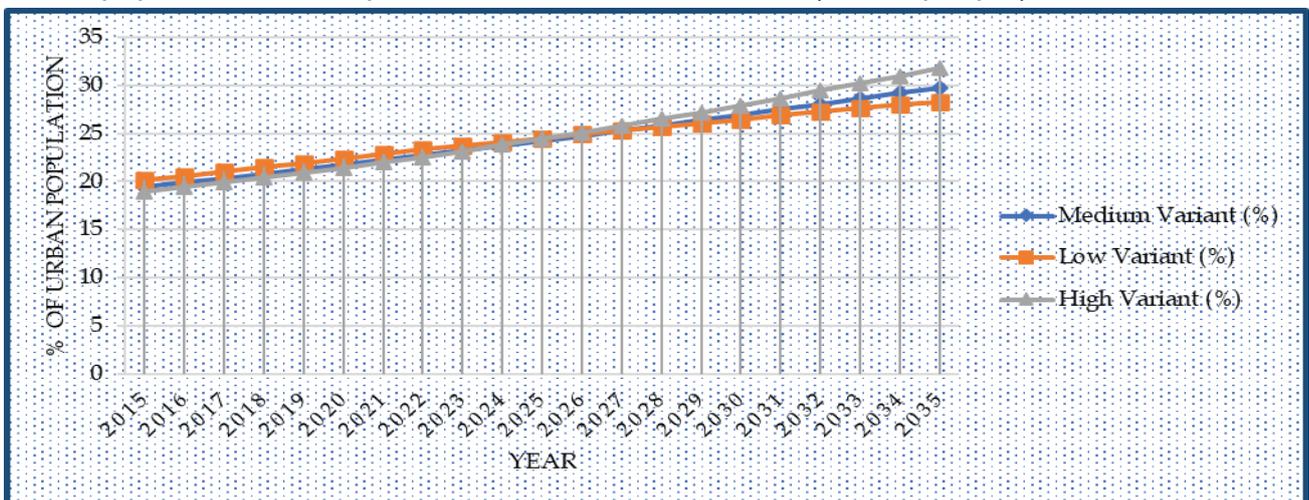
3.2.1 Urban Housing

Urban-population forecast scenarios carried out by the CSA- (Inter-Censual Population Survey) (ICPS, 2013) produced low, medium and high-variant forecasts of the urban population of Ethiopia. The forecasts presented in this assessment report are based on CSA's medium-variant scenario, which is officially used in Ethiopia's public sectors for different planning purposes. Findings indicate that the urban population of Ethiopia projected to increase from 19.45% in 2015 to 24.23% in 2025. According to CSA Population Projections for Ethiopia in 2023 about 23.2% of the population of the country lives in urban areas. Projections indicate that 42.3% of people will reside in Ethiopian cities by 2037, necessitating robust and effective housing solutions. The growing urbanization trend highlights the need for integrated urban planning, affordable housing, and sustainable infrastructure to meet the demands of this expanding population. Urbanization would cause Ethiopian cities to occupy a larger land area. According to World Bank data, Ethiopia's urban land area was 5.2 thousand square kilometers in 2015. Projection shows the total land area occupied by cities in Ethiopia will increase from 5.2 thousand square kilometers in 2015 to 16.3 thousand square kilometers in 2030.

The main drivers of this rapid urbanization include natural growth, rural to urban migration, and reclassification of rural settlements. Natural growth was the highest contributor (40%) to the growth of the urban population followed by rural-urban migration (33%) and reclassification of rural villages to urban centers (24%) (World Bank Group, 2019). As cities expand, addressing the needs of marginalized populations, such as low-income families and informal settlers, will be critical to ensuring equitable urban development. In general, youth unemployment remains a major challenge.

Ethiopia has one of the youngest populations in SSA with about 70% of the population below 30 years. In 2021, urban youth unemployment was estimated at 23.1% (28.8% among females and 15.9% for males). Socio-economic constraints and limited opportunities in rural areas drive young people to migrate to urban centers, putting pressure on housing and services. The rapid growth of informal settlements and slums in urban areas reflects the inadequacy of formal housing provision and the challenges faced by young people in finding suitable accommodation.

Urban population in Ethiopia forecast from 2015 to 2035 (Million people)



Source: Based on forecasts by the Ethiopian Central Statistical Agency (CSA,2013)

Housing Supply and Stock

The annual rate of urbanization in Ethiopia is very high (more than 5%) as indicated on the study of Ethiopia's urbanization review (World Bank, 2019). The ratio of urban to total population is estimated at 26.9% by 2030. This has direct implications for housing supply. As per the Welfare Monitoring Survey (WMS), about 3,291,602 urban housing units (in 2011) and 4,485,847 housing units (in 2016) had been supplied, which indicates that the annual housing supply of approximately 238,849 (between 2007 & 2011). Another source of evidence on the housing supply also showed that the estimated rate of annual housing supply (flow) is about 165,000 housing units nation-wide between 2007/2008 and 2013/2014, however, this has failed to meet the rising demand for affordable housing (TRAIDE Ethiopia, 2024).

The government, individuals, and private investors all play different roles in providing housing for residential and commercial purposes. Government sponsored condominium housing (Integrated Housing Development Program [IHDP]) was the major initiative taken by the government to make housing affordable to most of the low and middle-income people through constructing condominiums with (10/90, 20/80 and 40/60) saving arrangement. Beneficiaries are expected to save 10%, 20%, 40% of the house value respectively in a closed bank account while the remaining 90%, 80%, and 60% covered by the commercial bank of Ethiopia. Other actors are the private sector (real states), individuals (mainly rentals) and housing cooperatives. Despite these options, the supply didn't meet the growing housing demand across the country. Rental housing, rather than home ownership, is increasingly becoming the preferred solution for the government and for many urban dwellers. And in the rental market, not the government, but the private

market, not the government, but the private sector takes the lion's share (EPI, 2022). According to MUDI (2021) tenants pay 53% of their monthly income as rent at national level while this amount increases up to 63% in Addis Ababa. According to CAHF (2021), up to 75% of rented units are provided by the private sector, with the Government providing the remaining stock through kebeles.

Housing Demand

Translating urban population growth into urban household formation, the number of new urban households will be approximately 4.0 million by 2027 and approximately 9.7 million by 2037. The demand for urban housing in Ethiopia remains high, with projections indicating the need to build 471,000 new houses per year from 2015 to 2025, and 486,000 new houses per year from 2025 to 2035. The challenges to housing provision are exacerbated by the rapid increase in urban migration, demographic shifts, and rising land prices. This underscores the ongoing challenge of bridging the urban housing gap and raising housing standards throughout Ethiopia.

Thus, considering these factors/assumptions, the projected housing unit demand during (2023–2033) shows the total of housing unit demand for all target towns is estimated at 431,388 in 2033, or on average 43,139 housing units for each target town, with a minimum in Dire Dewa (30,720 housing units) and a maximum in Addis Ababa (101,250 housing units).

Housing Deficit

The housing deficit refers to the number of shelters/houses which do not have adequate conditions to be habitable, plus the number of housing units that need to be built to accommodate the population of an area. It can also

be measured as the difference between the number of households and the number of permanent dwellings. The study of IHDP undertaken in 2006 indicated that the housing deficit in the urban area of the country is 900,000 out of which 450,000 comes from Addis Ababa. Evidence from UN-HABITAT (2010), housing deficit in the country lies b/n 900,000 & 1,000,000 units with over 300,000 of those deficits in housing being in Addis Ababa. This is projected at 2.1 million by 2035, using the 2015 housing stock as a basis. Evidence from World Bank Group (2021) also indicated-housing unit deficit in Ethiopian cities was estimated at 1,404,000 housing during 2019. By 2030 housing unit deficit is projected at 1,814,000 housing units in Ethiopian Cities. Which means, to provide adequate housing by 2030, 1.8 million additional adequate housing units would be required in Ethiopia, underscoring the need for urgent and strategic interventions.

Informal settlement is the major contributor of housing provision. This could get as high as 40% of the housing provision in major Ethiopian cities. However, due to multiple technical and political reasons there is a lack of structured study and up-to-date information regarding the extent and existence of informal settlements, and it is always doubtful, and the extent of informal settlement is increasing as Addis Ababa, and other major towns are. (Daniel S. Legese 2020). There has been a growth in informal settlements in urban areas, the Government is engulfing urban villages without proper preparation on how to integrate slums and peripheral settlements. Improving the living conditions of those in informal settlements requires comprehensive urban planning and development policies that account for both housing and infrastructure needs. Informal settlements lack basic amenities such as water supply and sanitation and are characterized by poor living conditions.

Housing Conditions and Access to Facilities

According to the Welfare Monitoring Survey conducted in 2016, over 50% of the housing units are categorized as sub-standard and poor quality. In terms of quality construction material: -77.96% of housing unit construction material of the walls were made of wood and mud, 4.63% with mud and stone, 4.32% with cement and stone, 8.63% with blocks plastered. Evidence from HFHE (2022)- also shows that about 70% of housing units are requiring total replacement whereas 30% are in fair condition.

Housing Affordability

Housing affordability is a major issue- due to high construction material and land prices, exacerbated by an underdeveloped housing finance system (mortgage access, interest rate). Any attempt to measure housing affordability needs to recognize the difficulties that households often face in balancing their housing costs (rent, purchase or mortgage repayments) and non-housing expenditures through the expendable income. For example, the Commercial Bank of Ethiopia (CBE) recently adjusted interest rates for loans from March 5, 2025, to microfinance institutions: 14% for short-term, 14.5% for medium-term, and 15.5% for long-term, alongside a new 14% mortgage rate. This is expected to make housing more unaffordable, with other commercial banks and microfinance institutions likely to follow suit. In this context, the interest rate, terms, and average size of mortgage can be a useful indicator for the housing affordability assessment. According to UN-Habitat and WB: Housing is generally deemed affordable when a household spends less than 30% of their income on housing related expenses, such as mortgage repayments (owners), rent payments (renters), and direct operational expenses such as taxes, insurance and service payments. Therefore, a 30% maxi-

mum of household income for housing costs is considered appropriate.

Evidence from the State of Addis Ababa report (2017) indicated that out of the 992 condominium owners who participated in the survey, about 48.7% of them reported spending less than 25% of their income on housing, whereas about 41.3% of the respondents spend more than 30% of their income on mortgages. This implies that the latter are burdened and severely stressed to keep up with their monthly payments. This finding is consistent with World Bank (2015) and Cities Alliance (2015) report that concluded the price of highly subsidized housing units in the city is unaffordable to most residents. Findings from the housing context assessment indicate that almost all the conditions of housing for low-income people with disability and internally displaced people are similar as most houses are substandard with poor facilities.

3.2.2 Rural Housing

More than 70% of households in Ethiopia are engaged in agricultural activities. Ownership of houses is significantly higher in rural areas than in urban areas, but the quality of housing is better in urban areas and about 70 percent of the agricultural population have tenure rights over agricultural land. Rural housing in Ethiopia is often poorly built, dilapidated, and cramped, with many homes lacking basic facilities and about 52% of the rural population lives in an overcrowded housing. Only 19.4% of rural households in Ethiopia have adequate sanitation facilities. More than 43% use open pits or pit latrines without slabs, and 38% have no toilet facilities at all. Only 39% of rural households in Ethiopia have access to safe drinking water. About 43% of the total housing units have an overcrowding index equal to 3 or more inhabitants per room, while over 63% have two or more inhabitants per

Rural housing received little or no attention until the introduction of the Growth and Transformation Plan (GTP I and GTP II). These plans outlined a target to develop 3.4 million rural housing units and 1.5 million urban housing units, during the period from 2015/16 to 2020/21. The 2016 Rural Housing Development Strategy (MoUDH, 2016) determines the importance of solving rural housing problems through improving the housing conditions and over all living standards of rural communities; reducing rural to urban migration; fostering sustainable transition of rural centers into urban center (establish future urban centers); improving the saving culture and productivity of rural communities; facilitating provision of social and economic services such as sanitary, water, energy etc; and protecting natural resources from degradation, misuse and overuse (e.g. land, forests etc). Furthermore, according to the strategy the challenges or problems of rural housing include lack of - standards regarding construction materials, skilled manpower, access to housing finance, coordination among stakeholders, technology adaptation and transfer and absence of – appropriate institutional arrangement for rural housing, appropriate plan for rural centers.

Furthermore, rural housing conditions are further compounded by households sharing living spaces with livestock, which adversely affects health and sanitation. The Ten-Year Development Plan (2021-2030) emphasizes ensuring that housing in rural centers meets necessary standards. As part of this initiative, the urban development plan aims to standardize housing construction in rural areas and build 2.8 million houses that comply with these standards. The plan targets at least 80% of new houses and 50% of existing ones to meet the prescribed density requirements (FDRE, 2020). The absence of formal financing options for home improvement exacerbates the situation, leaving many households

to live in substandard housing. This housing challenge is compounded by limited access to basic infrastructure and economic opportunities. Poor housing conditions affect health, education, and productivity, trapping families into a cycle of poverty.

Rural Ethiopia is largely inhabited by pastoral and agro-pastoral communities characterized by variable and unpredictable agroecology and resource endowments. Pastoralists and agro-pastoralists in Ethiopia inhabit about 63% of the country's landmass. They raise a large proportion of the national herd, estimated at 42% of the cattle, 7% of the goats, 25% of the sheep, 20% of the equines and all the camels (IGAD, 2016). Despite the huge potential in livestock production and other resource endowment, the pastoral and agro-pastoral areas remain risk prone, with frequent collapse of livestock population, exposing the population to food insecurity.

The pastoral lifestyle often involves mobility, with herders moving with their livestock to find grazing and water. Common housing types include tents made of woven mats or hides, and simple huts constructed from local materials like mud, branches, and reeds. Some pastoralists are transitioning towards a more settled lifestyle, with increasing government efforts to encourage this through infrastructure development and land allocation. While it is crucial to address challenges associated with access to essential services, WASH and DR and livelihoods, it is important to undertake thorough research to address the challenges associated with the housing situation of pastoral communities.

3.2.3 The Housing Finance Landscape

The landscape of housing finance in Ethiopia presents formidable challenges. A significant portion of urban and rural population have no access to formal housing financial services.

Currently, there are no mortgage Banks, MFI's and saving and credit societies meant to address housing finance and market needs of low income and vulnerable communities. While a substantial 83.5% of the population expresses a need for housing finance, both demand-side and supply-side barriers hinder access. On the demand side, obstacles include a lack of collateral, high interest rates, and low-income levels. Conversely, supply-side issues are characterized by limited capital availability, inadequate institutional capacity, regulatory hurdles, and complications related to land tenure and title. Successful regional models of housing finance in Africa, including mortgage refinance companies and specialized housing banks, provide valuable insights that could inform adaptations within the Ethiopian context. Key enablers for effective housing finance systems include a robust legal and regulatory framework, the development of financial infrastructure, and addressing cultural attitudes toward homeownership (PSI, 2023).

The inability to secure adequate housing finance compounds these challenges, as vulnerable and low-income populations face significant barriers to accessing housing. The root causes of these financial obstacles include a scarcity of suitable financial products tailored to the needs of these groups, coupled with demand and supply-side constraints. The absence of mortgage banks and accessible savings and credit institutions further complicates the situation, emphasizing the urgent need to establish institutions that cater specifically to low-income families. Additionally, creating linkages between these populations and existing mortgage banks and microfinance institutions presents a significant opportunity for improvement.

3.2.4 WASH and Essential Services

Only 8% of the population can access hand-washing facilities with soap and water. Issues like surface water pollution, stemming from rapid population growth, urbanization, industrialization, and inadequate waste management, compound the problem in urban and rural areas. Approximately 60 million Ethiopians still lack access to safe drinking water, contributing to 7% of the global water crisis, and over 112 million are without basic sanitation facilities, with 22 million continuing open defecation.

3.2.5 Humanitarian crises, vulnerability to extreme disasters and climate shocks

Ethiopia continues to face multiple humanitarian emergencies due to the impacts of climate change, disease outbreaks, high commodity and food prices due to inflation, conflict and violence in most parts of the country. As of January 2025, 3,288,294 individuals have been displaced, including 2,670,331 internally displaced persons (81% of the displaced population) and 617,963 refugees (19% of the displaced population), highlighting the urgent need for comprehensive interventions. The drought of recent years the most severe in 40 years—has been devastating for people in the arid pastoral areas. Simultaneously, flooding and landslides have damaged infrastructure and disrupted livelihoods in both urban areas

and rural households. As a result, the demand for shelter (emergency and recovery), Water, Sanitation, and Hygiene (WASH) services, along with essential services, has intensified compared to the past five years. This shift indicates that HFHE will require a more robust and contextually appropriate and integrating climate, sustainable energy and resilience in building communities' resilience to absorb and bridge disasters and vagaries of climate change.

3.2.6 Analysis of the National Housing Policy

The Ethiopian government has recognized these challenges and is actively working to address them through new housing policies and strategic directions aimed at increasing access to affordable housing and reducing substandard living conditions. The Ministry of Urban and Infrastructure (MoUI) has outlined a need for comprehensive housing finance system, emphasizing public-private partnerships, diverse resource allocation, and modern housing management practices. The government's diversified approach allocates responsibilities across various sectors, with housing cooperatives and private sector involvement taking a central role alongside government efforts.

Impacts of national housing policy instruments on housing affordability

POLICY INSTRUMENT	DESCRIPTION AND TIMELINE	IMPACT ON HOUSING AFFORDABILITY
Land-use planning	National frameworks (e.g. National Urban Development Spatial Plan, Growth and Transformation Plan II, 2016) provide provisions and regulations aiming to reinforce government control of urban land use. established in 1993 and revised in 2002 and 2011.	Too restrictive land-use regulations (vis-vis demand for housing). established in 1993 and revised in 2002 and 2011.
Land allocation for affordable housing	As the sole suppliers of urban land in Ethiopia, public authorities provide land through leases via direct allocation and auction (the latter accounts for a minor portion of land provision). All land was nationalized in 1974, and Ethiopia's urban land lease policy was established in 1993 and revised in 2002 and 2011.	It incentivizes developers to construct affordable housing, but rigid supply of suitable land may limit supply of affordable housing. Too costly (due to low benchmark prices, the government has not captured a significant source of revenue that could be channeled into provisioning more affordable housing).

Integrated Housing Development Program (IHDP)	A homeownership program is designed to provide housing for low-income households through construction of condominiums. A total of 383,000 housing units were constructed between 2006 and 2018, primarily in Addis Ababa (314,000).	While IHDP increases the available affordable housing stock, higher- income households mostly benefit (low-income households are unable to afford upfront down payments and long-term mortgage payments).
Cooperative housing	A means of securing land for private, collective construction of housing units by a small group (typically 10 to 20 individuals). It occupies a limited portion of total housing and benefits middle- and high-income households. In secondary cities, it is often the main source of housing supply. It has been suspended in Addis Ababa since 2005, but there is growing interest in re-establishing it.	Increases affordable homes. However, the required upfront capital costs as well as construction costs, cooperative housing are still unaffordable for low-income households.
Kebele housing: low-income household targeted rental housing Federal Housing Corporation (FHC) units: government-official targeted rental housing	Inexpensive and often low-quality government-owned rental units. Established in 1975, when the Derg nationalized a vast portion of informal settlements. Over the years, some kebele units have been demolished while other informal settlements have been regularized and added to kebele housing stock. Remains by far the most affordable formal housing option in urban areas in Ethiopia (e.g. 10 ETB per month). Kebele units are often sublet informally and thus are occupied by more households than on paper. However, the sustainability of Kebele houses is under question as most of these houses are being demolished due to the initiative to modernize cities. Government-owned units managed by the FHC (established in 1975) and rented at monthly rates above 100 ETB, primarily targeting government officials. FHC units are typically of better quality (and on larger land parcels) than kebele units.	Remains by far the most affordable formal housing option in urban areas in Ethiopia (e.g. 10 ETB per month). Kebele units are often sublet informally and thus are occupied by more households than on paper. However, the sustainability of Kebele houses is under question as most of these houses are being demolished due to the initiative to modernize cities. FHC units are subsidized and remain quite affordable for the target group, primarily government officials. Overall, FHC units only occupy a small portion of total urban housing.
Corridor Development	Recent initiative in Addis Ababa, expanding in most urban centers across the country The project seeks to modernize the urban environment and focuses on infrastructure improvement- such as wide foot paths, expanded roads, and beautification.	There is a need to undertake a thorough analysis of the pros and cons of the project mainly: Its effect on local economies and community well-being, a careful re-evaluation of strategies that balance infrastructure improvement with the protection of residents' livelihoods. The contrast between economic progress and the potential displacement of households raises concerns about how economic growth can proceed without undermining the social fabric of communities and livelihoods. Addressing these challenges and fostering a more inclusive dialogue can lead to equitable and sustainable outcomes that truly benefit low-income people and the environment of Addis Ababa and other urban centers in Ethiopia.

Source: Sustainable and inclusive housing in Ethiopia, a policy assessment Mutsumoto, T and Crook, J. 2021 modified and updated by the strategy writing team

3.3 Political Developments

Following the national elections of June 2021, the ruling Prosperity Party restructured the cabinet to improve representation and to accelerate implementation of political and socio-economic reforms. However, political stability is threatened by complex and multidimensional grievances, inter-communal tensions, and national and regional fragilities. Conflicts in various parts of the country

(Tigray, Amhara and Oromia regions) have affected lives and livelihoods of people and displaced millions of people.

Political stability in the country is threatened by inter-communal tensions and regional fragilities. Border issues with Sudan as well as fragility in Somalia and South Sudan pose security risks for Ethiopia. An independent National Dialogue Commission, comprising

eminent personalities was established in January 2022 to work alongside the Ministry of Peace to lead peace building and reconciliation efforts. The Commission aims to build national consensus on underlying issues through strategic, impartial, and inclusive consultations to lay the foundation for lasting peace. The tensions and intercommunal violence in some regions showcase fragility, competition for resources, and long-standing grievances over economic and political participation.

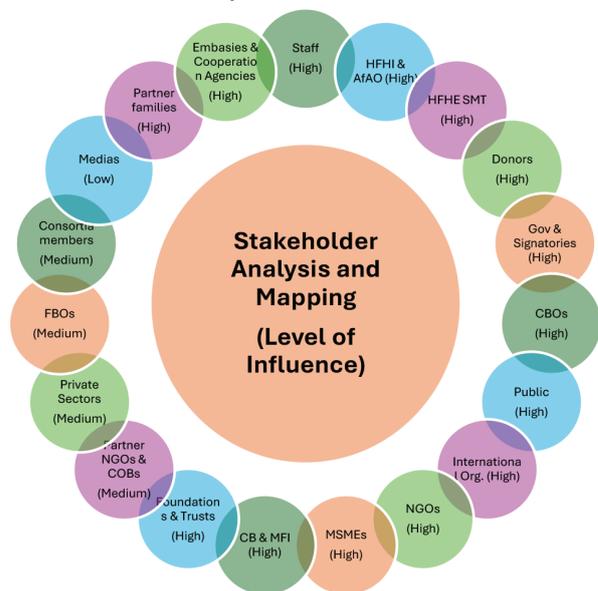
CSOs sustainability index improved to 5.2 from 5.7 in 2016, on a scale of 1-7 (1 being best). Proclamation No.1113/2019, which guarantees the freedom of association of citizens, replaced Proclamation No.621/2009. The new Proclamation provides for an independent CSO board. In June 2021, there were 3,252 registered CSOs, up from 1,813 in 2019, mostly following the passing of the new legal framework. The number of CSOs involved in the protection of human rights have increased and are able to play a positive role in the community. However, there are only few or no housing civil society organizations in Ethiopia.

Strengthening the social contract between the government and people, expanding political and democratic space and addressing the sources of instability are needed to ensure shared prosperity, sustainable peace, and social cohesion. It is vital to design, innovative and execute contextually appropriate housing programs with a focus on nurturing the emergence and development of housing CSOs, policy advocacy platforms at national and local level to amplify and influence decision makers on housing related policy gaps.

3.4 Stakeholders Context

The successful implementation of our strategic plan hinges on a comprehensive understanding of its stakeholders, which include individuals, organizations, and agencies that influence or are affected by the housing initiatives.

The analysis categorizes stakeholders into several key groups, including beneficiaries, staff, donors, government bodies, communities, and various organizations. High influence stakeholders, such as partner families/beneficiaries, expect well-organized and sustainable services, necessitating HFHE to conduct periodic needs assessments and mobilize resources effectively. Donors and government entities seek adherence to developmental goals and partnership, requiring HFHE to demonstrate transparency and deliver tangible results. Community-based organizations and local communities demand responsive service delivery and active engagement, indicating that HFHE must prioritize participatory approaches to ensure sustainable development outcomes.



Moreover, partnerships with intergovernmental organizations, local and international NGOs, commercial banks, and microfinance institutions are vital for resource mobilization and the development of affordable housing finance solutions. The analysis emphasizes the importance of establishing formal collaborations to leverage complementary expertise and resources, ultimately enhancing HFHE's

impact in addressing the pressing housing challenges in Ethiopia. Furthermore, engagement with these stakeholders must be strengthened through formal agreements, joint monitoring, and capacity-building initiatives to maximize collective impact.

3.5 The Funding context

The funding environment in general became more competitive and stiffer. Donors have not only cut back funding levels and more importantly changed the nature of funds they provide to the NGO sector. Almost all major donors have shifted their priority to pooled funding mechanisms and providing budget support to government coffers with increasing preference to the private sector.

In Ethiopia, nearly two-third of the Official Development Assistance (ODA) resource is channeled through the government, while the share of NGOs is less than 15% and most of which (nearly 11%) is channeled through

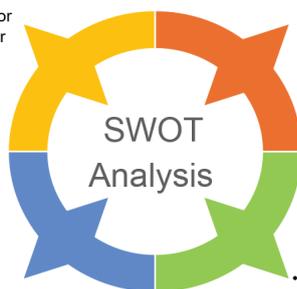
SWOT Analysis (Summary)

STRENGTH

- Positioned in a unique Sector
- Inclusivity and Impartiality
- Regular Monitoring and Review practices
- Existence of Passionate Staff and Management
- Extensive Experience in the Sector
- Trust and relationship with partner families/target communities
- Participatory and empowering Decision-Making Approach

OPPORTUNITY

- High demand for housing
- HFH networks
- Global Partners
- New Urban Policy and Housing Strategy
- Enabling CSO legislation
- Innovative Construction Technologies and materials
- Tithe fund/ Flexible us
- Youth population



WEAKNESS

- Leadership and Staff Instability
- weak Knowledge Management System and practice
- Unsustainable and Expensive Delivery Model
- Piece meal projects
- weak inter-functional coordination
- Limited capacity to engage on the recovery rehabilitation cycle
- Inadequate Female Representation in senior leadership and management
- Limited advocacy and communication
- Limited partnership and relationship with key stakeholders
- Limited capacity - compliance and risk management

THREAT

- Political Instability and Insecurity
- Unpredictability of Government Regulations and Plans
- Macroeconomic Instability
- Government Demand for High -rise Buildings
- Shrinking Donor Landscape and Limited Funds
- Challenges in Land Ownership and Tenure
- Limited Housing Finance to low income and vulnerable groups
- Proliferation of Informal Settlements .

International NGOs. There are no/limited funding opportunities to finance housing. Because of the current humanitarian context most donors including UN agencies funding is targeted towards addressing the humanitarian crises, including provision of shelter, food and nonfood items, WASH etc.

4. SWOT ANALYSIS

The analysis provides a detailed examination of Habitat for Humanity Ethiopia's internal strengths and weaknesses, as well as the external opportunities and threats present in the housing sector. Through analysis of these critical factors the strategy envisions leverage strengths, address weaknesses, capitalize on emerging opportunities, and mitigate potential threats. The analysis serves as a strategic tool to inform HFHE's objectives and initiatives, ensuring that they are responsive to the evolving context of housing needs in Ethiopia.

5. SCENARIO ANALYSIS

Given unfolding economic, social and political as well as the funding context, the following scenarios are all plausible and some

elements of the two scenarios may be evident in Ethiopia's future development with significant implications on setting the housing agenda and strategic choices and direction of HFHE (Refer diagram below).

5.1 Best Case Scenario (unlikely):

Many of the 'renewal commitments adopted by the ruling party will be implemented. The self – criticism expressed on lack of democratic performance internally within the ruling party and society at large will be translated into action. The reform process vis a vis addressing issues associated with corruption and governance, most likely will encounter stiff resistance in the short run but it will be successfully undertaken, aiming at the facilitation of political liberalization, and making the structures of governance more effective, transparent, accountable and enabling policy, strategies and programs to address the housing challenges.

An unlikely scenario involves a rapid governmental response to housing needs without significant non-government stakeholders like HFHE's support. While government commitment is essential, the scale of intervention required may not materialize swiftly due to various systemic challenges.

The implications of these trends and analyses for HFHE are profound. To remain effective in its mission, HFHE must adapt its strategic objectives to align with government policies while leveraging partnerships with local, regional and international stakeholders. By focusing on innovative housing and financing-solutions and enhancing the quality of its programs, HFHE can position itself as a key agent in addressing housing shortages and-improving living conditions for vulnerable

populations in Ethiopia. Ultimately, this comprehensive analysis informs HFHE's strategic planning process, ensuring that it is well-prepared to meet the pressing housing challenges of the coming decade while contributing to sustainable community development across the country.

5.2 Worst Case Scenario (likely):

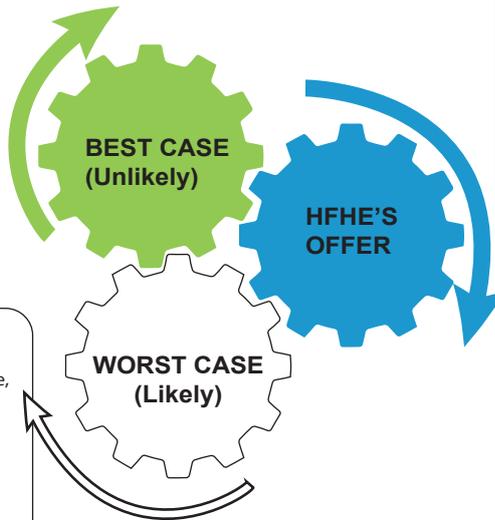
The ruling party renewal and reform process remains focused on the elimination of internal dissent, as a result, the democratization process will be time taking, the pace towards developing a more politically plural and open Ethiopia will be slow and containing internal party pressures will be the focus. The Prosperity Party (PP) will continue to use repressive mechanisms to calm down on opposition and the media. Furthermore, despite improved CSOs legislation, the sector will not have meaningful influence due to practical challenges associated with lack of democratic culture and limited capacity of CSOs.

The ruling party will pursue the current development agenda, but the political opposition will remain marginalized. This will have adverse effects on addressing the housing agenda, leading to economic and political stagnation or worsening of the situation and, ultimately, trigger political instability and civil unrest. The position of PP is weakened. To tackle the growing tensions and conflicts throughout the country, the government will turn out to be more authoritarian and repressive.

Scenario Analysis

- Building the capacity of HFHE and partner communities to respond to extreme Disasters and shocks.
- Develop delivery models to enhance communities to access housing finance and market services.
- Critical engagement with the Government at all levels to influence changes on issues of informal settlements, access to WASH, essential services, land tenure and security, entitlements and rights of women and vulnerable communities.
- Develop innovative decent and affordable housing models for scale up and replication by the Government and development actors.

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- Shrinking democracy
- Political instability, Conflict, violence, displacement and tension
- Food insecurity and Hunger
- Internal Displacement
- Rural - Urban Migration
- Increasing informal settlements
Growing housing Deficit

5.3 Implications

The unlikely scenario involves a rapid governmental response to housing needs without significant non-government stakeholders like HFHE’s support. While government commitment is essential, the scale of intervention required may not materialize swiftly due to various systemic challenges. Therefore, the implications of these trends and analyses for HFHE are profound. To remain effective in its mission, HFHE must adapt its strategic objectives to align with government policies while leveraging advocacy efforts and partnerships with local, regional and international stakeholders to influence changes on critical housing policies, institutional arrangements and systems.

By focusing on innovative housing and financing solutions and enhancing the quality of its programs, HFHE can position itself as a key

agent in addressing housing shortages and improving living conditions for vulnerable populations in Ethiopia. Ultimately, this comprehensive analysis informs HFHE's strategic planning process, ensuring that it is well-prepared to meet the pressing housing challenges of the coming decade while contributing to the development of resilient communities.

The likely outcome of current trends is an escalating demand for affordable housing solutions, driven by urbanization and demographic shifts. This scenario will require HFHE to enhance its focus on affordable housing, innovative financing and partnerships to improve housing accessibility for vulnerable and low-income populations. It is also critical for HFHE to build its capacity to proactively manage safety and security challenges, the capacity on Disaster Risk Reduction response program development and management as well as building resilient communities supporting internally displaced people through provision of emergency shel-

ters with emphasis on building the capacity of affected communities to have access to decent and affordable houses.

Furthermore, it is likely that urban infrastructure and services will be strained, which may impede HFHE's ability to deliver housing solutions effectively. This situation necessitates proactive strategies to ensure that housing initiatives are integrated with provision of essential services, WASH and the broader urban and rural planning.

6. Key Strategic Issues

As we launch our new strategic plan 2026-30, we are set to address and make differences on complex array of challenges within the housing sector, shaped by socio-economic dynamics, environmental factors, and internal organizational constraints.

6.1 Housing Issues

Urbanization and Housing Demand: Ethiopia is experiencing rapid urbanization, with a significant influx of people migrating to cities in search of better opportunities. This trend, coupled with a growing youth population facing high unemployment rates, has created a critical housing deficit. The current demand for housing far exceeds supply, leading to increased informal settlements and inadequate living conditions. HFHE devises innovative housing solutions that are both affordable and scalable, ensuring that urban areas can accommodate their growing populations sustainably.

Pastoralists, Agro-Pastoralists, and Rural Areas: Rural communities, including farmers, agro-pastoralists, and pastoralists, face unique housing challenges influenced by their agro-climatic zones. The livelihoods of these communities are intertwined with their housing conditions, which significantly affect their

quality of life. HFHE focuses on developing housing solutions tailored to the diverse needs of rural populations, promoting resilience and sustainability in housing practices. To effectively address housing challenges in Ethiopia, it is crucial to distinguish between rural and pastoral contexts and tailor interventions accordingly.

In rural areas, efforts should focus on developing permanent, community-based housing that incorporates durable construction methods and improved access to basic services such as reliable water, sanitation, and energy-saving measures. This can involve using local materials and techniques that are cost-effective and culturally appropriate, along with policies that formalize land tenure and stimulate local economic development.

In contrast, pastoral areas require a different approach due to the nomadic or semi-nomadic lifestyles of their residents. For these communities, housing solutions should be informed by thorough research and prioritize mobility and flexibility, such as modular or easily relocatable structures that can be assembled and disassembled as needed. Additionally, pastoral interventions should include innovative service delivery models that account for seasonal migration patterns, such as portable water systems and renewable energy solutions, which provide essential services without relying on permanent infrastructure.

By clearly differentiating these strategies and aligning them with the unique needs and cultural practices of rural and pastoral communities, HFHE and its partners can more effectively allocate resources and design interventions that promote sustainable, context-specific housing improvements across these settings in Ethiopia.

Housing Quality and Standards: The

existing housing stock in Ethiopia is often sub-standard, lacking basic amenities and structural integrity. HFHE conducts comprehensive assessments of current housing conditions to identify areas for improvement. Initiatives prioritize the rehabilitation of existing structures alongside new construction, emphasizing quality and safety standards.

Economic Hardship and Housing Accessibility: Economic hardship continues to deepen the cycle of poverty in Ethiopia, with many individuals, including teachers and public sector employees, slipping into low-income categories. This economic shift exacerbates challenges in accessing affordable housing and rental markets. HFHE advocates for policies that enhance economic opportunities while simultaneously addressing housing affordability, ensuring that low-income families can secure safe and stable homes.

Access to Housing Finance: Limited access to housing finance is a major barrier for low-income households. The absence of mortgage banks and housing savings and credit cooperatives (SACCOs) creates significant hurdles for families seeking to purchase or improve their homes. HFHE explores partnerships with financial institutions to develop tailored financial products that cater to the needs of low-income groups, facilitating access to affordable housing finance.

Essential Services, and Water, Sanitation, and Hygiene (WASH) : Primarily, HFHE integrates essential services with housing initiatives, ensuring that new housing developments include adequate access to clean water and sanitation facilities. Besides, as the current WASH situation in many communities remains dire and impacts the overall health and well-being of the community, HFHE engages into various WASH spheres. This holistic approach improves living conditions and promotes healthier communities.

Humanitarian Crises, Displacement, and Resilience to Climate Change: Ethiopia is currently grappling with a multitude of humanitarian crises driven by ongoing conflicts and natural disasters, resulting in a significant increase in the number of internally displaced persons (IDPs). These crises are compounded by the effects of climate change, which manifest in the form of droughts, floods, and pest outbreaks, posing serious threats to housing and livelihoods. As a response, Habitat for Humanity Ethiopia (HFHE) develops comprehensive strategies that not only address the immediate housing needs of displaced populations but also incorporate resilience-building measures to support their long-term recovery and stability. The influx of returnees and migrants further complicates the situation, creating urgent shelter needs that HFHE and its partners need to effectively address. This calls for the implementation of both temporary and permanent housing solutions that facilitate the reintegration of these individuals into their communities while ensuring access to essential services. HFHE's approach prioritizes the establishment of safe, resilient housing that can withstand environmental shocks, alongside the integration of disaster risk reduction strategies into all housing projects.

6.2 Advocacy Issues

Gender, Inclusion and Housing Policy: Women's access to housing and decision-making in housing-related matters remains limited. HFHE advocates for policies that promote gender equality in housing, ensuring that women's rights and needs are prioritized in housing initiatives. This includes addressing issues of land tenure and property rights, which are critical for women's empowerment. Additionally, HFHE promotes gender-sensitive housing designs that accommodate the specific needs of women, especially in terms of safety, accessibility, and owner

ship.

Policy Advocacy for decent and affordable housing: As part of the home equals campaign, HFHE will focus on land tenure security, access to housing finance, access to essential services/WASH and policy issues associated with informal settlements. In response to urbanization, HFHE will also advocate for policies that address the housing needs of vulnerable populations in rapidly growing secondary cities. Research is needed to understand implications of the ongoing corridor development initiative of the government in various urban centers in the country. By engaging with policymakers to develop supportive frameworks, HFHE can help create an environment conducive to sustainable and affordable housing development. This will include strengthening collaboration with local and regional governments to ensure policies reflect the realities of underserved communities and urban development trends.

6.3 Organizational Capacity

Organizational Brand and Strategic Alignment: HFHE needs to enhance its brand recognition as a leading housing agency to attract partnerships and funding. This requires clear communication, promotion and alignment of its strategic objectives with Habitat for Humanity Africa and Global strategies. By improving internal communication and fostering a shared understanding of its strategic direction among staff and stakeholders, HFHE can unify efforts toward common goals and increase its influence in the sector.

Leadership Development, Team Cohesion and Accountability: To address current gaps in leadership and staffing, HFHE invests in capacity building and leadership development. Strengthening the organizational structure to include core competencies promotes teamwork and operational effectiveness. Fos-

tering a culture of collaboration and trust, alongside clearly defined roles and responsibilities, enhances morale and improves communication within the organization. HFHE is committed to attracting, retaining, and developing top talent at all levels of the organization. A key strategy will focus on offering competitive benefits, professional growth opportunities, and a positive work environment to maintain a skilled and motivated workforce. To ensure continuity and long-term sustainability, HFHE will implement succession planning at various levels of the organization. This will involve identifying high-potential staff, providing them with training and development opportunities, and preparing them for leadership roles. Succession planning will help mitigate risks related to staff turnover and ensure that HFHE can maintain its impact over time. Moreover, establishing an advisory board that is established from influential Ethiopian national members is advised to enhance impact, connect and influence the key partners towards housing agenda. The advisory board also helps to establish accountability in HFHE's engagements.

Risk Management and Innovation: HFHE develops robust mechanisms for managing risks while capitalizing on growth opportunities in the housing sector. Embracing innovation and adaptability is essential to move beyond traditional practices. This involves evaluating the sustainability of existing delivery models and exploring new approaches to ensure long-term impact on housing solutions.

Strengthening Partnerships, Resource mobilization & Advocacy Capacity: To effectively address housing challenges, HFHE needs to expand its partnerships with governmental institutions and key stakeholders in the housing sector. Enhancing its capacity for policy advocacy is vital for addressing the systemic causes of housing

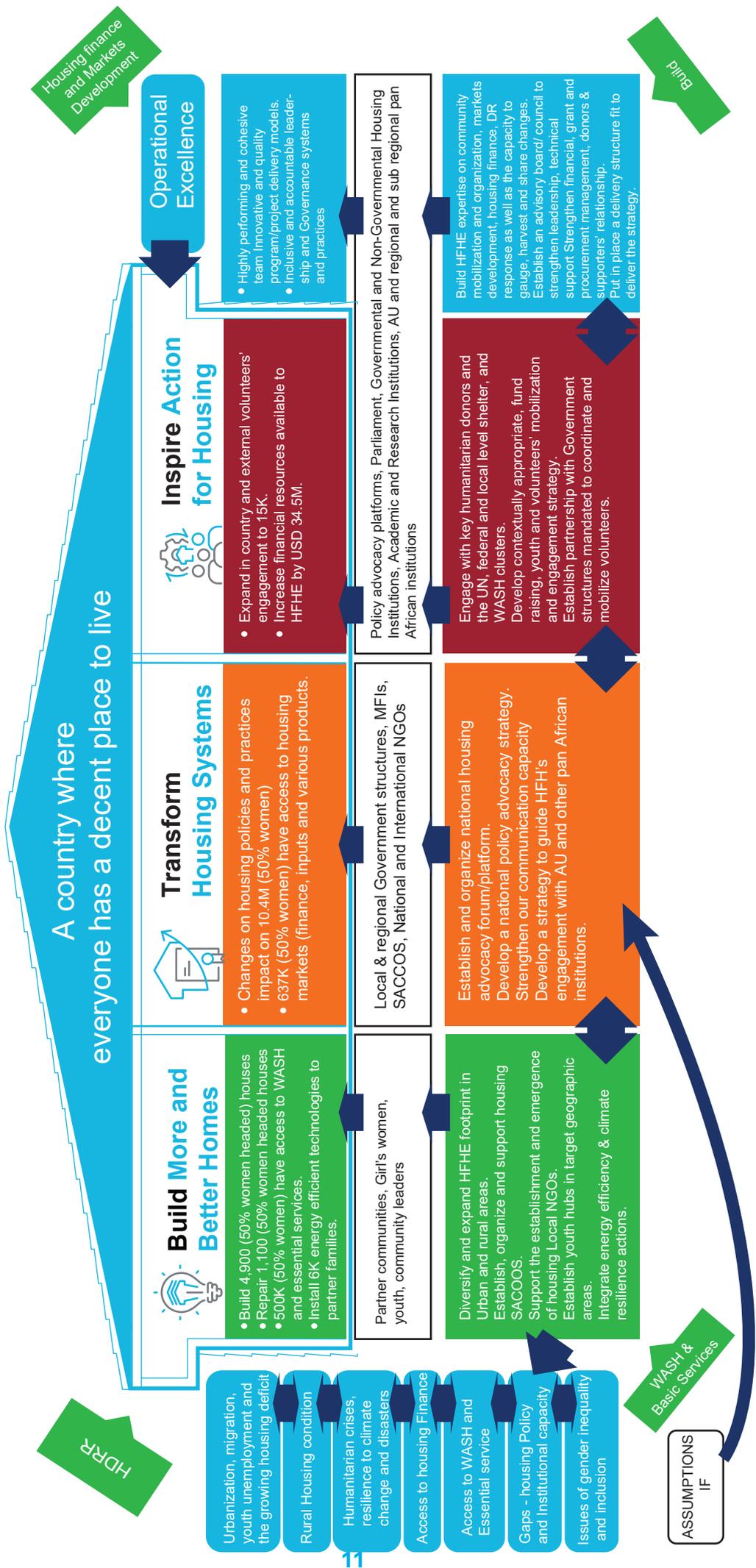
poverty. By actively engaging in national advocacy networks and establishing a governance structure that supports localization and accountability, HFHE better responds to local needs and foster community engagement in housing initiatives.

7. THEORY OF CHANGE

The theory of change diagram depicts a logical flow, linkages and analysis of problems/underlying causes for perpetuating the housing deficit and the vicious circle of vulnerability, exclusion and poverty in Ethiopia, our

change hypothesis to address the challenge and assumptions, priority themes and broad areas of interventions (actions), who we will work with (partners and stakeholders), what we want to achieve and (key results and outcomes) and how we intend to bring meaningful and measurable changes weighed against key pillars of HFH global strategy (Build More & Better Homes, Transform Housing Systems and Inspire Housing Action for Housing) through Operational Excellence (HFHE has the requisite capacity (leadership, team, expertise and system) (refer diagram for theory of change).

7.1. Theory of Change Diagram



8. STRATEGIC CHOICES & PRIORITY THEMES

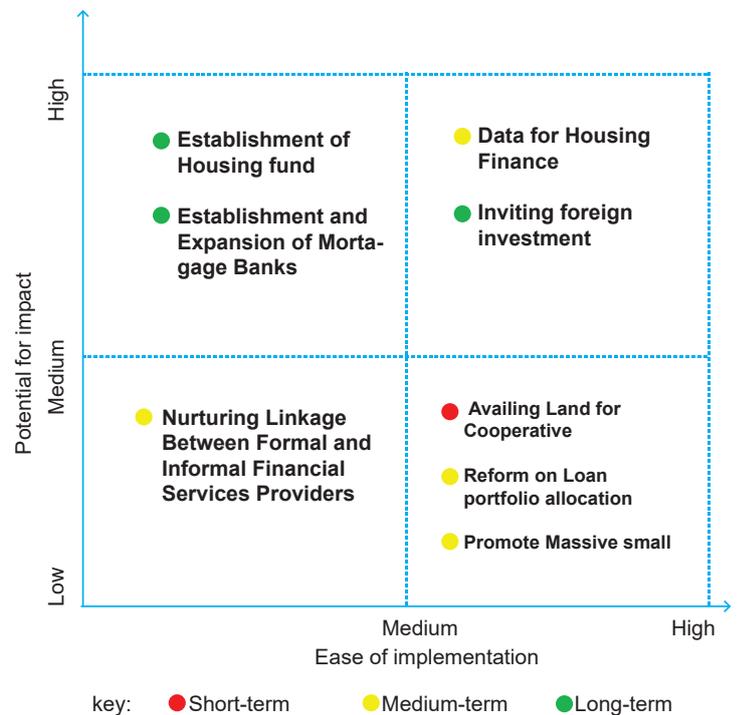
In the pursuit of its mission to alleviate housing poverty and promote sustainable living conditions, Habitat for Humanity Ethiopia (HFHE) has identified four thematic strategic areas that will guide its initiatives over the next strategic period. These areas—Housing, Housing Finance and Market, WASH (Water, Sanitation, and Hygiene), Basic Services, and Housing Disaster Resilience and Recovery (HDDR) and Resilient Communities—reflect the interconnected nature of the challenges faced by vulnerable populations in Ethiopia and the comprehensive approach required to address them.

8.1 Build

The first thematic priority, building homes, is central to HFHE’s mission and encompasses a wide range of strategies aimed at addressing the critical housing deficit in both urban and rural contexts. HFHE focuses on developing innovative and affordable housing solutions tailored to the diverse needs of different communities, including those in highland, intermediate, and lowland agro-climatic zones. This thematic area prioritizes the rehabilitation of existing structures, the construction of new homes using sustainable practices, and the promotion of land tenure security, particularly for marginalized groups such as women and internally displaced persons (IDPs). By engaging local communities in the design and implementation of housing projects, HFHE aims to foster ownership and ensure that the housing solutions provided are culturally appropriate and sustainable.

8.2 Access to housing finance and markets

The second thematic area, Access to housing finance and markets. Taking into consideration the fact that a significant portion of urban



and rural population particularly low income and vulnerable groups in Ethiopia have no access to housing financial services and markets, HFHE will give due emphasis to systematically address this critical challenge as indicated in the diagram through phasing in different interventions in the immediate, medium and long term (mobilization of rural and urban housing saving and credit groups, social enterprises, linking partner communities with formal financial institutions, promoting establishment pro-poor micro finance institutions, and linking partner communities with formal financial institutions) as well as engagement on policy advocacy to influence the current housing finance architecture and institutional arrangement.

8.3 Access to Basic Services

The third thematic area, access to basic services recognizes the critical importance of integrating water, sanitation, and hygiene services into housing initiatives. HFHE works to improve access to clean water and ade-

quate sanitation facilities as part of its housing development projects. This integration is essential not only for enhancing the quality of life for residents but also for promoting public health and preventing waterborne diseases. HFHE advocates for the implementation of inclusive WASH policies that address the needs of vulnerable populations, ensuring that all community members, especially women and children, have access to safe and hygienic facilities. By prioritizing WASH, HFHE aims to create healthier living environments that empower communities and enhance overall well-being.

Basic services encompass a range of critical support systems that contribute to the overall resilience and quality of life in communities. HFHE recognizes that housing alone does not ensure sustainable development; therefore, works to enhance access to essential services such as economic opportunities, healthcare and education. By collaborating with local governments, NGOs, and other stakeholders, HFHE strives to create integrated service delivery models that address the multifaceted needs of communities. This approach involves identifying gaps in service provision and advocating for resource allocation to ensure that all individuals have access to the services necessary for their development and well-being.

8.4 Housing Disaster Resilience and Recovery

The fourth thematic area, Housing Disaster Resilience and Recovery (HRR) emphasizes the need for proactive measures to enhance community resilience in the face of natural disasters and humanitarian crises. As Ethiopia is increasingly vulnerable to conflicts, and climate change impacts, such as droughts, floods, and pest infestations, HFHE implements strategies that focus on disaster preparedness, response, and recovery. includes building the capacity of communities

This includes building the capacity of communities to withstand and recover from disasters through training and resources that promote sustainable agricultural practices, food security, and economic diversification. HFHE also works to integrate HRR into its housing and WASH projects, ensuring that communities are resilient to environmental hazards and shocks.

Through these thematic strategic areas, HFHE aims to create a comprehensive framework that addresses the root causes of housing poverty and builds the capacity of communities to thrive in a changing environment.

9. STRATEGIC OBJECTIVES

HFHE prioritizes delivering the following strategic objectives and key targets during the strategy implementation period (2026-30).

Build More & Better Homes

Strategic Objective 1: Construct 6,000 new and renovate existing standard affordable housing units for vulnerable families ensuring compliance with safety and quality standards by 2030.

Major Activities

- Construction of new houses and renovation of existing houses.
- Introduce innovative housing technologies and approach.
- Diversify and expand HFHE footprint in Urban and rural areas.

Strategic Objective 2: By 2030 ensure 500K individuals to have access to WASH and essential services (50% women).

Major Activities:

- Construction of water supply, sanitation and hygiene services infrastructure.
- Training and awareness raising cam-

paigms to enhance knowledge, attitude, and practice on WASH.

- Promote and provision of energy efficient technologies.

and support to be sustainably operational.

- Linking low-income communities to financial institutions.

Transform Housing System

Strategic Objective 3: Enhance access to 637K individuals to housing markets (finance, input and various products) by 2030.

Major Activities

- Exhaustive housing policy advocacy and scale-up practices.
- Introduce and promote viable housing markets for low-income communities.

Strategic Objective 4: Establish new and enhance the capacity of existing financial institutions to deliver housing financial solutions by 2030.

Major Activities

- Mobilize and organize 100 housing saving and credit groups in urban and rural Ethiopia
- Mobilize and organize 50 small and medium enterprises.
- Capacitate 10 financial institutions (CB, MFI, SACCOs) and encourage to develop housing finance products development
- Introduce viable financial products

Inspire Action for support

Strategic Objective 5: By 2030, mobilize 15,000 volunteers for engagement and youth involvement to explore expertise for the benefit of the communities.

Major Activities

- Mobilize volunteers (domestic and international) to engage HFHE interventions.
- Engage young people (youths) in volunteer activities.
- Mobilize more financial resources for HFHE (in USD).

Operational Excellence

Strategic Objective 6: Develop more than four competent capacities to deliver innovative solutions to HFHE interventions by 2030.

Major Activities

- Implement disaster reduction strategies in household level.
- Introduce innovative and quality program/project delivery models.

10. KEY PERFORMANCE INDICATORS

Theory of Change Framework	Performance Indicators	Annual Target					Total
		YR 1 (2026)	YR 2 (2027)	YR 3 (2028)	YR 4 (2029)	YR 5 (2030)	
Build More & Better Homes	Number of community members or households which have access to affordable, durable, decent, and safe housing (new houses). <i>(Rural/urban 60/40 ratio) (20% directly and 80% through partners, housing finance models)</i>	320	460	750	1230	2140	4,900
	Number of vulnerable families which have renovated standard homes for improving accessibility and living conditions. <i>(Rural/urban 60/40 ratio) (20% directly and 80% through partners, housing finance models)</i>	100	130	180	270	420	1,100
	Number of individuals which have access to WASH and essential services (50% women).	100K	100K	100K	100K	100K	500K
	The number of partner families reach through transitional shelter, NFIs and WASH facilities.	10K	10K	10K	10K	10K	50K
	Number of communities who have knowledge, attitude, and practice on sanitation and hygiene enhanced through training and awareness creation campaign.	100K	150K	200K	250K	300K	1M

Theory of Change Framework	Performance Indicators	Annual Target					Total
		YR 1 (2026)	YR 2 (2027)	YR 3 (2028)	YR 4 (2029)	YR 5 (2030)	
	Number of household families reached through energy efficient technologies for cooking and utilities. <i>(Align with houses constructed: new & renovate)</i>	420	590	930	1,500	2,560	6,000
Transform Housing System	The number of individuals impacted by changes in housing policies and practices (50% women).	1.5M	2M	2.2M	2.3M	2.4M	10.4M
	The number of individuals which have access to housing markets (50% women).	21K	63K	189K	200K	200K	637K
	The number of households which secure housing dignity and tenure rights by providing legal support and education on land rights.	420	590	930	1,500	2,560	6,000
	Number of saving and credit cooperatives established.	20	20	20	30	30	100
	Number of financial institutions (CB, MFI, SACCOs) which are proactively engaged in housing finance products development, introduction and sustainably make available the products in the market.	1	2	3	3	1	10

Theory of Change Framework	Performance Indicators	Annual Target					Total
		YR 1 (2026)	YR 2 (2027)	YR 3 (2028)	YR 4 (2029)	YR 5 (2030)	
	The number of viable financial products developed and sustainably operational.	1	2	3	3	1	10
Inspire Action for Support	The number of volunteers mobilized from domestic and international to serve the low-income communities in different disciplines and localities.	450	1,350	4,050	4,350	4,800	15,000
	The amount of financial resources mobilization of HFHE to support the mission (in USD).	3.1M	4.2M	5.9M	8.5M	12.8M	34.5M
Operational Excellence	The number of innovative and quality program/project delivery models introduced during the strategic plan implementation years.	2	3	4	5	6	20
	Retain staff turnover below the industry standard (<10%) in all fiscal years.	<10%	<10%	<10%	<10%	<10%	<10%
	Percentage increase in employee satisfaction and engagement (Employee engagement surveys every two years)	80%	85%	87%	90%	95%	95%

11. IMPLEMENTATION STRATEGIES

To effectively achieve the strategic objectives identified in the strategic objectives, HFHE adopts a multifaceted implementation

approach that emphasizes collaboration, innovation, and community engagement. The following implementation strategies guide the efforts of HFHE in the coming five years:

11.1 Advocacy and Communication

HFHE undertakes targeted sound advocacy initiatives mainly with focus on addressing issues of informal settlements, access to decent and affordable housing, property rights, land tenure, access to housing finance and markets as well as access to basic services. A contextually appropriate policy advocacy strategy will be developed at the beginning of the strategy period to inform HFHE's home equals campaign and advocacy engagement and implementation.

Furthermore, building strategic alliances with governmental bodies, NGOs, and community organizations to create a unified voice for policy change will play a pivotal role in enhancing HFHE's advocacy work.

Policy Research and Analysis will be conducted regularly to assess policy gaps and opportunities in the four thematic areas. Emphasis will be given to assess issues and implications associated with informal settlements, government's vertical housing, and corridor development initiatives. This analysis informs advocacy campaigns and help tailor strategies to specific local needs.

Moreover, deliberate action will be taken to strengthen the integration and interplay between communication and other key functions (policy advocacy, program, partnership and resource mobilization, volunteers and youth mobilization with focus on the following key aspects.

Strategic Communications: Develop communication strategy, design sound communication methods and select convenient media.

Sound Communications and Visibility: undertake effective communication to get HFHE visible as a housing agency in Ethiopia through development of appropriate commu-

nication items and utilization of digital platforms (social media, website, e-newsletters).

Resources for Policy Advocacy and Partnership: plan, develop and share resources streamlined for policy/advocacy, partnership work and volunteer/youth engagement.

HFH Brand and Presence: Maintain HFHE's brand in all HFHE's work, its presence and engagement with partners

Internal Communication: Align HFHE staff and stakeholders with the organization's higher goals and strategies to ensure that all members understand the broader organizational context, including successes, challenges, and the desired organizational culture.

Engagement in Knowledge-Sharing Platforms: Participate in forums, workshops, and conferences to share insights and best practices on housing solutions, thereby influencing broader policy discussions.

11.2 Community Mobilization, Organization, and Empowerment

HFHE prioritizes grassroots engagement to mobilize and empower communities through:

Formation of Savings and Credit Groups: Facilitate the establishment of community-based savings and credit cooperatives. These groups enable members to pool resources, access credit, and invest in housing initiatives, fostering financial independence.

Capacity-Building Workshops: Conduct training sessions to educate community members on financial management, project planning, and sustainable development practices. Empowered communities are better equipped to advocate for their needs and participate actively in housing projects.

Participatory Planning Processes: Involve community members in the planning and implementation of housing projects to ensure that initiatives reflect their needs and priorities, thereby enhancing ownership and sustainability.

11.3 Advocate for Financial Inclusion and Promote Housing SACCOS.

In addition, we will carry out feasibility study to find out sustainable and viable housing finance solutions to the low-income communities, and promote SACCOS tailored to the needs of low-income populations, focusing on:

Policy Development and Support: Work with financial regulators and policymakers to design frameworks that facilitate the establishment of inclusive financial institutions dedicated to affordable housing.

Capacity Building for Financial Institutions: Provide training and resources to emerging financial institutions to ensure they understand and can effectively serve the low-income market.

Promotion of Affordable Housing Finance Products: Develop and promote mortgage products that are accessible to low-income families, incorporating flexible repayment terms and low-interest rates.

Low and High-Hanging Fruits: HFHE will focus primarily on low-hanging fruits like SACCOS and MFI to tap the opportunity in development of financial products. A feasibility study will be done to identify sustainable and viable housing finance long lasting solutions.

11.4 Linkage with Pro-Poor Microfinance Institutions (MFIs) and Banking Services

HFHE forges strategic partnerships with MFIs to enhance financial access for vulnerable and low-income households:

Tailored Financial Products: Collaborate with MFIs to design financial products that address the unique needs of low-income families, such as micro-loans for home improvements and flexible savings accounts.

Outreach Programs: Implement outreach initiatives to educate potential clients about available financial services, ensuring that marginalized groups are informed and included in financial opportunities.

Leveraging Technology for Access: Introducing digital platforms or mobile banking services to facilitate easy access to financial products, especially in rural areas where physical bank branches may be limited. This could enhance financial inclusion for the most marginalized populations.

Financial Literacy Programs: Implement financial literacy initiatives targeted at low-income communities to enhance their understanding of housing finance products, repayment options, and responsible borrowing. This empowers individuals and communities to make informed decisions and increase the uptake of mortgage products.

11.5 Establishment of Youth Hubs and volunteers' mobilization

HFHE establishes youth hubs as vibrant centers for skills training, entrepreneurship, and community engagement, advocacy and to enhance to facilitate job creation opportunities for the youth.

Skills Development Programs: Offer vocational training in construction, carpentry, plumbing, and other relevant trades, equipping youth with skills that are in demand in the

housing sector.

Entrepreneurship Support: Provide mentorship and resources for young entrepreneurs to develop their own businesses, focusing on those aligned with housing and community development.

Community Engagement Initiatives: Encourage youth to participate in community service projects and advocacy that enhances local housing conditions, fostering a sense of responsibility and community pride.

Youth Advocacy and Leadership: Develop leadership programs that empower youth to advocate for better housing policies, affordable housing solutions, and community-driven initiatives. By fostering leadership, youth can become strong advocates for positive change within their communities.

In country and International Volunteers: mobilize and engage international volunteers focusing on existing or potential partners to address the housing deficit, promote advocacy both at national and global levels through building sustainable relationships.

11.6 Partnership with Existing Local and International NGOs

HFHE actively collaborates with local NGOs to enhance its reach and effectiveness in addressing housing and development challenges through:

Resource Sharing: Leverage the networks, expertise, and resources of local NGOs to create synergies in project implementation. This collaboration helps streamline efforts and reduce duplication of services.

Joint Initiatives: Develop joint initiatives that address specific housing needs, such as emergency housing for displaced families or

integrated WASH projects. These initiatives benefit from collective expertise and shared funding opportunities.

Capacity Enhancement: Provide training and support to local NGOs to strengthen their operational capacity, enabling them to implement housing solutions more effectively and sustainably, and foster a collaborative ecosystem for development.

11.7 Nurture Development and Proliferation of Housing NGOs and CBOs

HFHE focuses on supporting the establishment and strengthening of housing-focused NGOs and CBOs by:

Funding and Resources: Allocate resources and funding to emerging housing NGOs and CBOs, enabling them to develop their capacities to address local housing needs effectively. This support includes seed grants and technical assistance.

Training Programs: Implement training sessions on best practices in housing development, project management, and community mobilization, ensuring that these organizations are equipped with the necessary skills to succeed.

Networking Opportunities: Create platforms for housing NGOs and CBOs to network, share experiences, and collaborate on projects, fostering a united front to address local housing challenges.

11.8 Innovation and Adaptation

HFHE prioritizes innovation in housing solutions by exploring new construction technologies and sustainable practices through:

Research and Development: Invest in research to identify and evaluate innovative building materials and construction methods

that are suitable for local contexts and climate conditions. These include sustainable materials, energy-efficient designs, and modular construction techniques.

Pilot Projects: Launch pilot projects to test and showcase innovative housing solutions, gathering data on performance, cost-effectiveness, and community acceptance. Successful pilots is scaled up or replicated in other areas.

Collaboration with Experts: Partner with academic institutions, research organizations, and industry experts to stay abreast of emerging trends and technologies in housing. This collaboration enhances HFHE's capacity to adapt solutions that meet local needs while maintaining affordability.

11. 9 Capacity Building

HFHE invests in capacity building for its staff and community members by implementing strategies that foster skills development and promote sustainability:

Skills and Competency Assessment Integration: Align capacity-building initiatives with the findings of the skills and competency assessment report conducted by the Africa Area Office, ensuring that the training programs are based on identified gaps and tailored to the specific needs of both staff and HFHE. This ensures that resources are invested in areas that directly address organizational needs and gaps.

Comprehensive Training Programs: Develop a structured training curriculum that focuses on essential skills such as project management, community engagement, construction techniques, and financial literacy. Training will be tailored to the specific needs of staff and community members.

Mentorship and Coaching: Establish mentorship programs where experienced staff or community leaders guide less experienced individuals, fostering knowledge transfer and enhancing local leadership capabilities.

Evaluation and Feedback Mechanisms: Implement systems to evaluate the effectiveness of capacity-building initiatives, gathering feedback to refine training approaches and ensure that they are responsive to the evolving needs of staff and communities. This includes using objectively verified performance planning management systems that track performance outcomes and ensure that the impact of training programs is measurable and aligned with HFHE's broader strategic goals.

12. TARGET GROUPS

HFHE targets the following groups in its strategy implementation and services:

Low-Income Families: Low-income families in this case are defined as households, whose earnings fall below the national poverty line, significantly limiting their access to essential services such as housing, healthcare, and education. These families face critical challenges in securing affordable housing options and accessing financial resources necessary for housing development. To address these needs, Habitat for Humanity Ethiopia (HFHE) will implement targeted interventions that include the development of innovative housing models specifically designed to align with the financial capabilities of low-income households. Additionally, HFHE will offer financial literacy programs aimed at enhancing understanding of housing finance options, empowering families to navigate the complexities of securing adequate housing.

Vulnerable Groups: Vulnerable groups encompass internally displaced persons

(IDPs), orphans, elderly individuals, and people with disabilities, all of whom face heightened risks and challenges in accessing safe and secure shelter. The primary needs of these groups include safe housing, essential support services, and opportunities for community integration. HFHE will deploy targeted housing solutions that directly address the specific vulnerabilities of these populations. Furthermore, programs will focus on enhancing community resilience and disaster risk reduction, ensuring that vulnerable groups are equipped to withstand and recover from crises that may threaten their housing stability.

Youth: The youth demographic, defined as individuals aged 15 to 29, particularly those from low-income and marginalized backgrounds, often face barriers to employment and economic opportunity. Their primary needs include access to employment opportunities, vocational training, and avenues for active participation in community development initiatives. In response, HFHE will establish youth hubs that provide skills training in construction, entrepreneurship, and other relevant fields. Additionally, mentorship programs will be created to support young entrepreneurs, helping them navigate the challenges of starting and sustaining housing-related businesses, thereby fostering economic empowerment within this demographic.

Women: Women, especially those who are heads of households or belong to marginalized groups, require targeted support to enhance their access to safe housing, financial resources, and decision-making power in housing-related matters. HFHE recognizes the importance of promoting gender equity in housing initiatives and will implement programs that ensure women's voices are included in all aspects of the housing development process. This will involve designing financial products specifically tailored to meet

the needs of women and conducting educational campaigns focused on land rights, thereby empowering women to secure their housing rights and make informed decisions for their families.

Pastoralist: Pastoral communities, particularly those in remote and arid regions, often face unique challenges in accessing housing due to mobility, limited infrastructure, and scarce resources. HFHE will focus on providing sustainable housing solutions that address the specific needs of pastoralists, including adaptable and mobile housing models that align with their way of life. Additionally, HFHE will work on improving access to basic services such as water, sanitation, and energy needs, and provide support for community resilience in the face of climate change and resource scarcity. These interventions aim to empower pastoral communities with the resources and knowledge to improve their housing conditions while respecting their cultural and lifestyle practices.

13. PRIORITY GEOGRAPHIC AREAS

HFHE engages in the following geographic areas: implement its strategic plan and provide services to the target groups at:

Geographic Hubs: HFHE operates across a geographic range that includes all the regions of Ethiopia including pastoral areas, focusing on regions where the organization has established a presence and gained valuable experience. By leveraging local partnerships and community networks, HFHE aims to expand its outreach and services, ensuring that interventions are effectively implemented and tailored to contexts in various regions.

Urban Areas: HFHE's primary focus in urban settings will be on Addis Ababa and emerging secondary cities across Ethiopia where it was active in the past strategic periods. The orga-

nization engages in strategic partnerships with local governments and urban planners to integrate sustainable housing solutions into broader city development plans. Efforts are also made to address the acute housing deficit in urban informal settlements through targeted interventions that provide immediate relief and long-term housing solutions.

Semi-Urban Areas: In semi-urban areas, which often experience unique housing challenges as they transition between urban and rural characteristics, HFHE develops housing projects that harmonize urban amenities with the necessities of rural living. This approach focuses on enhancing access to essential services, thereby improving overall living conditions for residents in these areas.

Rural Areas: HFHE also prioritizes rural communities including pastoralist populations where poverty levels are significantly high, and housing conditions are often substandard. Strategies will be tailored to local agricultural practices and climatic conditions, ensuring that housing solutions are relevant and sustainable. Community involvement is promoted throughout the development process to ensure that housing initiatives are culturally appropriate and effectively address the needs of these populations.

Emerging Regional Focus Areas: HFHE plans to enhance its presence in emerging regions with significant housing challenges, such as conflict-affected zones. Special attention will be given to populations displaced by conflict and those living in fragile environments, with the aim of providing both immediate and durable housing solutions through tailored interventions.

14. MONITORING PERFORMANCE

Monitoring the performance of the country program approaches, tools and practices will

be informed by a country specific result framework which takes into consideration priority themes of the strategy as well as contextualizing HFH's global framework and guidelines, frequency and routines, detailed outcome and output indicators, targets as well as data collection and data quality assurance.

Staff of different functions of the country program will monitor their respective performance at least every quarter. Findings of the monitoring exercises will be well linked with quarterly country level program review, reflection and planning meetings as well as with quarterly senior management team meetings. More frequent field visits as well as partner and field-based staff meetings will be applied for partners and field programs with performance issues (e.g. with progress, burn-rates or program quality) or with an identified higher potential financial risk. Such risks will be identified through partner/field project assessments, and reviews of financial statements, audit reports, and partners/field projects accounting and internal control mechanisms. Findings from monitoring visits will be shared with partners and field teams and documented for future follow-up. The theory of change, key outcome indicators, our approaches and strategies will be looked at regularly at annual partners forums and staff retreats. All the project-based information gathered through various source will also feed into an Internal Performance Tracker to track project performance. Deliberate actions will be taken to promote a culture of learning and sharing good practices of the country program. In line with the overall organizational development strategy, knowledge management practices of the country program will be strengthened. Development and design of new projects/programs will be based on strategic priorities of the country program.

Types of report and reporting schedule

Types of report	Description	Timeline	Responsible
Quarterly Report	MEAL will compile and submit quarterly performance report to Management	End of the third month, using Gregorian calendar	MEAL
Annual Report	MEAL will compile and submit annual performance report to Management	July each year	MEAL
Midterm evaluation of the strategic plan	To take course corrections and revise the SPM, at the mid of fiscal year 3, midterm evaluation will be conducted.	Mid of FY2028	MEAL/Independent consultant
Endline evaluation	Once the implementation of the four years SPM is conducted the last four years' key achievements will be evaluated and documented to learn from experience and serve as a base for the next generation SPM.	End of 2030	Independent consultant

15. QUALITY AND ACCOUNTABILITY

We will enter partnership both proactively (seeking partners) or reactively (when sought by partners). The country’s strategic plan, focus and priority change objectives will be the basis for determining the type and profile of partners we work with and geographic areas we cover.

HFHE recognizes and encourages the contribution of both financial and human resources from each part of the partnership. Internally, there is a need to strengthen HFHE’s role as that of a facilitator and catalyst for change with professional competence of enhancing the agency of partner communities to bring meaningful and substantial engagement on influencing structure and institutions that perpetuate the housing deficit.

During the strategic period, HFHE will position itself not only as a **facilitator** but also as a **catalyst for change**, fostering professional competence to enhance the agency of partner communities. This will enable meaningful and substantial engagement in influencing the structures and institutions that perpetuate the housing deficit. HFHE will take on multiple roles to ensure a holistic approach to achieving its strategic objectives. As a convenor, HFHE will bring together key stakeholders to

collaborate on solutions. As a think tank, HFHE will generate innovative ideas and strategies to address housing challenges. As an implementer, the organization will lead and manage projects on the ground, ensuring they align with broader goals using different delivery models. Finally, as a technical advisor, HFHE will provide expert guidance and support to its partners and communities to build capacity and ensure sustainable, impactful outcomes.

We have multiple accountabilities – to partner communities, partners, our staff, supporters, donors and the government. However, accountability – to partner communities is central to the spirit of our strategy. This requires us to know who partner communities are, facilitating their analysis, respecting what comes out of it, and then responding. It means that the priorities and perspectives of partner communities should inform the decisions we make at all levels. It means that we must be transparent in sharing information about the way we raise and allocate funds and the outcomes of meetings, plans, budgets and expenditures with partners and target communities. Information that feeds upwards about appraisals, plans, budgets, funds, expenditures and reviews is given to partner communities for review should be in a language and form that they can access and

understand. We will also expect our partners' communities to commit themselves to these ways of working as much as we do ourselves. It also requires us to try and influence our donors to adopt more flexible systems that will help empower poor people to own planning, learning and evaluation processes.

We will also continue to protect and safeguard people from intentional or unintentional harm that may arise following contact with HFHE representatives or in the delivery of our work. Accountability for partner communities is a priority which reflects HFHE, supporters and donors' commitment to the meaningful participation of people receiving our services. Accordingly, HFHE will employ a means to ensure participation, receiving and responding to client's feedback and complaints. To lead the process, HFHE has framework guidelines and standard operating procedures to ensure that clients' concerns are heard and addressed within the appropriate time. Rapid assessments will be conducted to assess the accessibility of existing feedback channels and identify the appropriate/preferred channels to ensure accountability and transparency. Based on the assessment, appropriate and preferred feedback channels will be established with safe referral pathways. To this end, HFHE will ensure that safe and appropriate feedback mechanisms are in place so that perspectives of targeted communities are heard and used to make better decisions.

16. FUNDING MODEL AND RESOURCING

The strategy aims to position HFHE to proactively manage complex challenges associated with the legal, policy and funding context in Ethiopia. Deliberate actions will be taken to transform HFHE to a financially resilient, dynamic and credible housing organization.

Emphasis will be given to build on our strong niches, deepening partnership with communities through their organizations and giving

more emphasis on strengthening complementarity and strategic partnership with supporters, major donors, the private sector, UN agencies, international and local NGOs, research, academic Institutions and government structures at all levels.

During the strategy period, we will invest in HFHE's organizational capacity and systems to effectively manage and deliver the desired course of direction and change. We will have improved capacity and relationship with tithe supporters, private donors and foundations, HFH's networks, UN habitat and explore opportunities for strong partnership with EU, FCDO, USAID, Irish Aid, Embassies as well as humanitarian donors (USAID, UN OCHA, ECHO, IOM and UNCHR), SIDA, Master Card Foundation (MCF) and other new donors.

HFHE financial projections are based on assumptions of steady donor support, stable exchange rates, and predictable inflation. However, risks such as fluctuations in foreign aid, shifts in donor priorities, economic changes, and political instability could affect funding. To mitigate these, we will assess risks regularly and remain flexible in our financial plans.

Diversifying funding sources through a broader donor base, public-private partnerships, and income-generating activities is essential for sustainability. We will also engage communities in resource mobilization through savings groups and cooperatives.

To address financial shortfalls, we will establish a reserve fund and ensure budget flexibility, with clear prioritization and the ability to reallocate resources. Regular financial monitoring and transparent reporting will maintain accountability and trust with stakeholders.

The new strategy entails the need to ensure that we are organizationally competent on community development facilitation, mobilization and organization, policy advocacy and

communication, grant and financial management capacity, HR, Personnel and logistics management, program development (strong program design, planning, Monitoring and

Evaluation and knowledge management) as well as partnership development and resource mobilization.

Models and potential sources of resourcing Funding Model	Analysis
Mortgage bank/Housing MF/social enterprise and market development/SACCOS	We will work aggressively to explore funding opportunities in the country and globally for these funding streams as this is one of the priority directions of the new country strategy.
International volunteers per person contribution	We will strive to engage more international volunteers and explore per person contribution to support HFHE’s mission financially beyond their professional support.
Donor restricted grant	Our assessment reveals the fact that there is a huge potential to access this funding stream from UN habitat, FCDO, Irish Aid, EC, UNOCHA, USAID, IOM, UNCHR and other donors in country and globally as well as foundations like Master Card. Deliberate actions will be taken to enhance our relationships with these and other major donors in country.
Tithe supporters	We will give due emphasis and attention to keeping our relationship and strategic engagement with tight supporters through provision of regular updates on changes we are making with their support, elevating global volunteers program and linkage with volunteers’ program in country.

17. RISKS & MITIGATION MEASURES

Ethiopia’s development process during the Strategy period could face national, regional, and global risks related to political, socio-economic, trade, and climate change. Growing macroeconomic imbalances, low domestic revenue and trade restrictions are likely to impede economic growth. Conflict and instability due to perceptions by nationals of political and economic exclusion could disrupt economic activity, ongoing reforms, and implementation of HFHE operations in the conflict

affected areas. HFHE will undertake conflict sensitivity analyses, strengthen the capacity to effectively manage safety and security risks. Ethiopia is also prone to climate change risks, and the new strategy has prioritized DR and building resilient communities to respond to this risk. At the operational level, key risks relate to resourcing the strategy due to challenges associated with funding the environment. We will scale-up efforts to mobilize funding through crafting a funding strategy which is fit and appropriate to the local context and dynamics.

In nutshell, HFHE identified key assumptions, risks, and corresponding mitigation strategies as displayed in the following table, which enhances its strategic planning and execution

efforts. This proactive approach helps it to manage uncertainties and strengthen the organization's ability to achieve its goals over the next five years.

No	Elements	Assumptions	Risks	Mitigation Strategies
1	Political Stability	The political environment in Ethiopia will remain stable enough to facilitate housing initiatives and partnerships.	Changes in government, civil unrest, or political conflict could disrupt housing projects and partnerships.	Engage in regular dialogue with government officials and stakeholders to stay informed about political changes and adapt strategies accordingly.
2	Continued Government Support	The government will continue to support housing projects and policies that align with HFHE's mission.	Lack of government support and high inflation or economic fluctuations could increase costs and reduce the affordability of housing for low-income families.	Stay informed about policy developments and engages in advocacy efforts to influence housing policies that support HFHE's mission.
3	Community Engagement	Communities will be willing to engage and participate actively in housing initiatives and programs.	Local communities may resist new housing initiatives due to cultural differences or lack of trust in HFHE.	Foster strong community relationships through participatory planning processes, ensuring that local voices are heard & incorporated into project designs.
4	Availability of Funding	Sufficient funding will be available from diverse sources, including government, international donors, and private sector partners.	Economic downturns or shifts in donor priorities could lead to reduced funding availability, affecting project implementation.	Diversify funding sources by exploring partnerships with private sector entities, establishing crowd-funding initiatives, and engaging in advocacy for government support.
5	Capacity of Local Partners	Local partners and stakeholders will possess the necessary expertise and resources to collaborate effectively on housing initiatives.	Limited capacity within HFHE or local partners could hinder the effective delivery of housing programs and services.	Invest in capacity-building programs for staff and local partners, ensuring they have the skills and resources needed to implement housing initiatives effectively.
6	Market Conditions	The economic environment will support the demand for housing and housing finance products.	The economic environment fails to support demand for housing and housing finance products.	Monitor market and economic trends closely and adjust project budgets and timelines accordingly. Explore cost-effective construction methods to mitigate rising costs.
7	Technological Advancements	Innovations in construction techniques and materials will continue to emerge, allowing for more efficient and cost-effective housing solutions.	Resistance to adopting new construction technologies or methods could limit innovation and efficiency in housing solutions.	Promote awareness and training in innovative construction technologies among staff and communities to encourage adoption and integration into housing solutions.

8	Natural and Manmade Disasters	Natural and manmade disasters are within reach of existing capacity	Increased frequency of natural and manmade disasters (e.g., floods, droughts, war, conflicts) could damage existing housing and complicate new construction efforts.	Develop disaster preparedness plans that include risk assessments and mitigation measures to safeguard housing projects and enhance community resilience.
9	Safeguarding	Reliable and protective and working environment	lack of awareness/ understanding by contractors/vendors on the concept and its practicability Probably risk of harassment and/or humiliation by contractors/vendors and may be by staff during Inappropriate conversation, wording and bullying with girls and women during project intervention related to like school WASH	Training and orientation to all entities working with (consultant, contractors, vendors, staff) Signing of HFHE’s safeguard consent Proactive complaints and feedback mechanism. Ensure zero tolerance for any trace passers.

Together, we build vibrant neighborhoods.



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