



Independent Evaluation of Social Housing Operations: Challenges and Lessons to Be Learned

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Abstract: *In recent years, the Evaluation Department of the Council of Europe Development Bank has conducted a series of independent evaluations of CEB-financed operations in the social housing sector targeting special vulnerable groups. Building on evaluation evidence and experience, two strategic issues are presented: the high level of complexity of such operations and the various facets of their sustainability. This paper underlines the significant learning and accountability potential of evaluations of social housing operations. At the same time, it underscores the added value of a holistic approach to evaluation, in the face of a simplistic, but currently predominant, output-oriented focus during monitoring.*

Keywords: evaluation; social housing; sustainability; complexity.



Introduction

The Council of Europe Development Bank (CEB), based in Paris, is the oldest European international financial institution. It has a significant portfolio of operations in various sectors and works under the explicit mandate of fostering social cohesion in Europe. Its Evaluation Department has recently completed a multi-year evaluation programme focused on a sample of CEB-financed social housing operations that were explicitly targeted to specific vulnerable groups at risk of social exclusion, including low-income migrants, refugees, returnees and Roma population.

The operations in the sample were characterised by great differences in size and configuration: there were small-scale projects, identified by clear boundaries and activities, as well as larger interventions contributing to broader governmental or private sector initiatives. Activities spanned from the construction of new dwellings, to the rehabilitation and purchase of existing ones. There were country-wide operations alongside those targeting a specific neighbourhood or group of municipalities. Some operations aimed at creating a public-owned housing stock for rental; others explicitly aimed at private home-ownership. The sample involved operations implemented by national-level authorities and their agencies and others by local municipalities, private financial institutions, or NGOs.

Investment in methodological preparation

Evaluation of social housing operations faces a recurrent challenge: the predominance of an output-based approach to performance monitoring. The evaluations pointed out in fact that, during implementation, reporting tends to focus on the number of housing units and their size and location rather than on the social development results achieved on the ground. This is in line with the findings of a review of emerging practice, which concluded that, unlike other areas of social policy (such as health or education), evaluation of housing programmes is affected by various shortcomings including the absence of agreed framework for undertaking evaluations and the failure to evaluate the overall appropriateness or impact of housing programmes due to the strong focus on quantitative outputs (Moore et al 2002). This challenge is combined with the fact that, at the time of design, social housing operations were rarely conceived or formalised around a Theory of Change, namely an illustration of how and why a desired change is expected to happen in a given context (Morra Imas and Rist 2009). The causal linkages explaining how immediate outputs (such as the number of dwellings and their size) contribute to broader social integration objectives were thus unexplained. Such a theory of change therefore had to be reconstructed at the beginning of the evaluation process in order to correctly understand the underlying logic of the operation. A further challenge consisted in developing a robust operational definition of evaluation criteria. In evaluations of development operations, five key criteria are normally used to assess performance in a holistic manner: relevance, effectiveness, efficiency, impact, and sustainability. Using available definitions as a starting point (OECD 2002), those criteria required clear definitions that would make them applicable to operations in the housing sector.

A methodological framework was prepared in cooperation with independent experts from the London School of Economics (see Table 1). The framework articulated each criterion around a



set of cross-cutting dimensions by taking into account, to the extent possible, the specificities of the operations to be evaluated. Relevant literature on evaluation practices in housing was also taken into account (Angel and Jacobs 2006). Special care was given to position evaluation well above the output-based approach to performance monitoring in order to capture, in line with an holistic approach, a broad spectrum of issues, such as the intended and unintended, short- and medium- to long-term effects of the evaluated operations on institutions and communities, the appropriateness of the governance and management arrangements, and the factors required to ensure long-term sustainability.

Table 1: Articulation of evaluation criteria

Criteria	Cross-cutting dimensions
Relevance	<ul style="list-style-type: none"> • Appropriateness of the objectives • Coherence of the strategy and internal logic • Quality of implementation arrangements • Contextual factors • Relevance of modifications
Effectiveness	<ul style="list-style-type: none"> • Achievements of outputs • Contribution to the stated outcomes • Capacity to reach the target beneficiaries • Satisfaction of beneficiaries
Efficiency	<ul style="list-style-type: none"> • Cost and time overruns • Unitary costs • Cost control and procurement • Cost recovery
Impact	<ul style="list-style-type: none"> • Long-term effects in the policy, institutional, social, sectoral, and environmental domain, both direct and indirect, intended and unintended
Sustainability	<ul style="list-style-type: none"> • Institutional and political support • Economic affordability • Housing management • Social acceptance • Technical sustainability

Source: Author.

Key findings and lessons to be learned

Notwithstanding the high heterogeneity of the evaluated operations, a number of recurrent themes emerged in the evaluated operations. This paper focuses on two of them: complexity and sustainability.

Complexity

The evaluation findings pointed out that the conceptual claims of social housing operations were often too ambitious, given the level of resources made available for the operation. Provision of adequate and affordable housing is a necessary, but not sufficient, condition for pursuing goals of social integration. Complementing social housing assistance with accompanying social measures is required if social integration outcomes are to be achieved.



These measures may relate to education, employment, social assistance, etc. Such measures were included in some of the evaluated projects, thanks to partnerships established with NGOs, but they were often provided with limited resources and a narrow timeframe for implementation. High-level and ambitious objectives were often combined with a monitoring and reporting structure that emphasised and rewarded physical realisation (i.e. construction) instead of broader societal outcomes.

In some cases, certain tensions existed between the explicitly-stated objective of the operations and the hidden or implicit objective. For example, operations explicitly aimed at ‘promoting social integration’ were affected by the implicit objective of ‘compensating’ families through housing assistance. The implicit objective tended to dominate design and implementation. This undermined the underlying theory of the evaluated operation as well as its effectiveness. A social housing assistance aimed at social integration is in fact hardly compatible with the absence of obligation of settling-in by beneficiaries.

Evaluation findings also pinpointed the fact that complex implementation mechanisms might be required to achieve the stated social objectives. Complexity could be provoked by the institutional preparedness of implementing partners or by the innovative approaches adopted in the operation. A common trait of the sampled operations was the fact that they underwent several modifications in order to respond to changing circumstances and/or correct some implementation features.

Complexity was also inextricably linked to the high degree of political sensitiveness of the sampled social housing operations, as assistance was directed to groups at risk of social exclusion, such as Roma, migrants, or refugees. Various scenarios were encountered with respect to support from national governments, local governments, and local communities. In some cases, the social housing project was strongly supported by the local authority and the community while receiving less visible support, politically or financially, from the national government. In others, the project received support at the national level but less so at the local level. A low level of commitment of local actors could provoke delays and challenges during implementation.

The establishment of eligibility and allocation criteria with regard to the final beneficiaries added a further level of complexity. Some operations in the sample were implemented separately from national social housing programmes and/or in contexts where there were no established rules for the prioritisation, eligibility, and allocation of social dwellings to final beneficiaries. The determination of, and the agreement on, eligibility criteria, as well as the process of selecting beneficiaries, were the tasks most exposed to the risk of institutional and social conflicts.

Last but not least, the evaluations pointed to the tendency of treating beneficiaries as a homogeneous group during the design of social housing operations. Understanding the characteristics, needs, priorities, and circumstances at the household level was a key factor in determining the actual relevance of the operations and their likelihood of achieving the stated development objectives. The terms ‘migrants’ or ‘refugees’ cover a wide range of households, each having very different social and economic needs. Each household faces specific challenges in accessing housing in general and social/affordable housing in particular; integration needs



are also extremely varied. Flexible modalities of housing assistance must therefore be foreseen. For instance, home-ownership might not be every household's objective, nor the most appropriate type of tenure for low-income households.

Sustainability

Sustainability can be defined as the continued and voluntary presence of the beneficiary population under safe and adequate conditions in the housing provided by the project. The realisation of this scenario depends on at least three main factors.

First, households must be able to afford to live in the dwellings concerned. The evaluations offered the opportunity to explore the concept of affordability in operations aimed at both home-ownership and public rental housing. In operations aimed at promoting home-ownership through mortgage schemes, beneficiaries were filtered on the basis of an affordability indicator, the debt-to-income ratio, in order to ensure the setting-up of an affordable scheme. The evaluation showed, however, that this did not prevent the occurrence of defaults. The ratio was calculated, in fact, at the time when the beneficiaries contracted the loan. Incomes fluctuate, however, and households belonging to highly-vulnerable social categories may not have the instruments to cope with downturns in their earning capacity. In operations aimed at promoting the creation of a social housing stock rented out to vulnerable households, the evaluations showed that low rents were not sufficient to ensure sustainability. Households belonging to vulnerable social categories might be highly exposed to risks that go beyond the income dimension. Different forms of addictions, violence, and abuse may hinder the capacity to honour any kind of financial obligations. In addition to the predominant financial definition (Pittini 2012), affordability encompasses, in fact, significant non-financial dimensions that affect the capacity of the concerned households to benefit from social housing in the long run. Available instruments of social welfare might not be sufficient to ensure the safety net required for households in economic and social distress. Moreover, even if social rents are kept low, the capacity of the households to continue living in an adequate and safe housing environment is crucially determined by the high cost of utilities, especially during winter months.

Second, the long-term presence of the beneficiary population in the housing provided by the projects requires an institutional system that guarantees adequate management and maintenance. Public-owned housing requires a significant investment in supervision, maintenance, and management. In one of the evaluated projects, a budget was initially available for financing the maintenance requirements of the state-owned properties. This form of subsidisation was later discontinued and the collected rent proved insufficient to cover maintenance costs. As a result, no extraordinary maintenance of the state-owned properties could be undertaken and, in situations where safe living conditions could not be assured, it was proposed to the occupants to move to another empty state property. The responsibilities of the lowest tier of administration regarding housing stock management might not be matched by adequate funding. Without additional support, and given the low rents and weak enforcement of condominium regulations, the evaluation showed that it is difficult to establish sustainable models geared to poor households (entailing low rent and high risk of default) while ensuring, in parallel, adequate investment for renovation and maintenance of the housing stock. In the absence of measures to support the income-generation capacity of beneficiary families and/or



to sensitise them about the obligations and duties associated with rental of public housing, the risk of a progressive dilapidation of the stock is very high. In most of the countries covered by the evaluation sample, serious maintenance problems continue to affect the housing stock as a result of the ‘maintenance debt’ inherited from the years that followed the fall of the socialist regimes. In the case of multi-apartment blocks, these problems are compounded by malfunctioning condominium associations and the lack of enforcement of maintenance obligations. These difficulties inevitably affect the stance of national and local authorities toward public-owned housing.

Third, sustainability also depends on social and political acceptance of the intervention and of the population groups concerned. In the worst-case scenario, low social acceptance may undermine the capacity of beneficiaries of housing assistance to live in the concerned dwellings in a sustainable and socially-peaceful manner and therefore hinder the underlying objectives of social integration.

It needs to be kept in mind that social integration is a complex process that requires adoption by both the target groups and the communities hosting them. While integration policies are often targeted to the group that ‘should be integrated’, policies should also recognise that the host community must be willing to accept the newcomers. Said acceptance may fluctuate significantly during project implementation. Awareness and sensitisation campaigns play an important role during this process. The evaluations showed that social acceptance of social housing operations is higher in contexts where transparent reporting of results, rigorous control of expenditures, and opportunities for participation and dialogue are ensured. In this respect, a challenge for policy makers is to articulate and demonstrate at the time of the design of social housing operations, how and whether said operations can generate medium- and long-term benefits (spill-over effects) to the host community. The evaluations argued that social acceptance and long-term sustainability of social housing operations will crucially depend on the extent to which said spill-over effects are generated and demonstrated.

Conclusions: promoting learning and accountability

There is great appetite for ‘what works’ in social housing policies and programmes. The growing percentage of population in need of affordable housing, the recent influx of refugees, the limited fiscal space available to policy-makers, the growing attention to social integration issues, all call for innovative solutions to the housing of population groups at risk of housing exclusion.

In order to ensure the highest standards of rigour, evaluation of social housing operations needs to be built in from the design stage, with adequate investment in the collection of data at multiple levels (individuals, households, communities, institutions). At the same time, social housing projects need to be guided by clear and measurable performance objectives that are shared and agreed among the various partners. The contribution of social housing operations to broader social development goals needs to be clearly articulated by spelling out, where feasible, the complementary ‘soft’ measures with which housing assistance should be combined in order to generate the desired societal changes. For the evaluation discipline, an interesting debate concerns the identification of an appropriate timeframe for performance assessment, given the



fact that social housing policies and programmes show their actual results and sustainability prospects only a few years after the completion of works.

In addition to learning, the accountability dimension needs to be strengthened. Transparent reporting of social performance should be a key priority for national governments and international financial organisations operating in the social housing sector. This paper has highlighted the advantages of a holistic approach to evaluation, which is needed to comprehensively assess performance including in terms of sustainability. Moreover, a holistic approach to evaluation of social housing operations is required if spill-over effects at the broader societal and community level are to be demonstrated. Last but not least, if undertaken in a participatory manner, initiatives of data collection during evaluation processes constitute valuable opportunities for promoting principles of transparency and openness in policy-making.



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