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**The Role of Faith Based Organizations in Urban Community Development: a
focus on selected Evangelical organizations in Addis Ababa**

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Abstract

This study explores the role of evangelical Protestant Faith-Based Organizations (FBOs) in urban community development in Addis Ababa, Ethiopia. Specifically, it examines the services these organizations provide, assesses their financial sustainability, investigates the challenges affecting the scalability of their programs, and evaluates the effectiveness of their interventions. The study was motivated by the increasing presence and influence of FBOs such as the Ethiopian Kale Heywet Church and the Mekane Yesus Church in addressing socio-economic challenges within the rapidly urbanizing context of Addis Ababa. Employing a mixed-methods research design, the study integrated both quantitative and qualitative approaches to gain a multidimensional understanding of FBO activities. Structured questionnaires using a five-point Likert scale were administered to a sample including FBO beneficiaries and organizational leaders and staff, selected through stratified random sampling. Quantitative data were analyzed using STATA, with statistical techniques including descriptive statistics, correlation analysis, and regression models. Qualitative insights were obtained through open-ended questions designed to explore perceptions of program effectiveness and operational challenges. The findings indicate that FBOs play a vital role in providing essential services in health, education, and economic empowerment. Also this study found that evangelical Protestant FBOs in Addis Ababa play a key role in urban development, particularly in education, training, and economic empowerment. Regression results confirmed a strong positive link between these services and developmental outcomes. However, challenges remain in healthcare delivery, financial sustainability, and scalability. Strengthening partnerships, diversifying funding, and improving adaptability are essential for greater impact. While most organizations demonstrated moderate levels of financial sustainability, challenges such as limited funding sources, regulatory constraints, and urban poverty dynamics hindered program scalability. Nevertheless, respondents reported a high degree of satisfaction with the effectiveness and developmental impact of FBO programs.

This research contributes to the broader discourse on the role of faith-based actors in urban development and offers policy recommendations for enhancing the sustainability and scalability of their programs in Ethiopia and similar urban contexts.

Keywords: *Evangelical Protestant, faith-based organizations (FBOs), urban development, Addis Ababa, financial sustainability, scalability, service effectiveness, socio-economic challenges, community empowerment, regression analysis.*

ABBREVIATIONS AND ACRONYMS

FBO: Faith-Based Organization

NGO: Non-Governmental Organization

CBO: Community-Based Organization

UNDP: United Nations Development Programme

CHAPTER ONE

1. INTRODUCTION

Faith-Based Organizations (FBOs) play an increasingly pivotal role in addressing complex socio-economic challenges, particularly in urban areas marked by rapid growth and resource constraints. Globally, FBOs have gained recognition for their ability to mobilize community resources, deliver critical services, and foster socio-economic resilience through trust-based engagement (Tomalin, 2020). In developing cities such as Addis Ababa, where urbanization presents both opportunities and challenges, evangelical Protestant FBOs have become key actors in community development. These organizations, including the Ethiopian Kale Heywet Church and the Mekane Yesus Church, have directed significant resources toward education, healthcare, and economic empowerment programs, addressing critical gaps in public service provision (Sulamo, 2023).

1.1. Background of the Study

Community development is the process of empowering individuals and groups to create lasting improvements in their lives, focusing on education, health, economic opportunities, and social equality. At its heart, it aims to address systemic challenges like poverty, inequality, and lack of opportunity, fostering resilience and self-reliance. Historically, the idea gained prominence in the mid-20th century as global leaders sought sustainable solutions to alleviate poverty and promote social justice. Today, it represents a diverse and evolving practice, involving governments, civil society, and increasingly, faith-based organizations (FBOs).

Faith-based organizations have long been involved in community development, blending their spiritual mission with practical efforts to uplift societies. Globally, these organizations provide

critical services, especially in regions where government resources are stretched thin. Their contributions range from building schools and health clinics to empowering women and offering vocational training for youth. What sets FBOs apart is their unique ability to mobilize trust within communities, making them effective agents of change. Recent studies suggest that FBOs often fill gaps left by formal institutions, offering both immediate relief and pathways to sustainable development (Tomalin, 2020; Clarke and Ware, 2021).

In sub-Saharan Africa, FBOs have emerged as key players in tackling deep-rooted socio-economic issues. Across the region, where poverty, rapid urbanization, and limited infrastructure example, their work in education and healthcare often extends to underserved populations, bridging gaps left by state services (Asefa et al., 2021). Ethiopia, with its rich tapestry of religious and cultural traditions, has been no exception. FBOs here have been instrumental in addressing urban challenges and contributing to national development goals.

In Addis Ababa, Ethiopia's capital and largest city, the role of FBOs is particularly pronounced. As the city rapidly urbanizes, with its population growing at an annual rate of 3.8%, issues like unemployment, inadequate housing, and socio-economic disparities have become increasingly visible (Arega Sadore et al., 2024). FBOs like the Ethiopian Kale Heywet Church (EKHC) and Mekane Yesus Church have risen to the challenge, channeling resources into community-focused programs. For instance, EKHC runs vocational training initiatives that equip young people with practical skills, while Mekane Yesus Church is known for its healthcare projects that serve vulnerable groups (Teklu, 2018; Kaunda and Teklu, 2024).

The work of these organizations demonstrates the power of community-focused, faith-driven interventions. Beyond just providing services, they foster hope and resilience in the face of urban

challenges. Yet, while their contributions are undeniable, questions remain. Are these efforts sustainable? Do they truly reach the most marginalized? And how can they scale their impact without losing their grassroots effectiveness? Recent studies point to both successes and limitations, showing that while vocational programs and healthcare initiatives by FBOs have reached thousands, their long-term impact on systemic issues like poverty and inequality is still unclear (Sulamo, 2023).

This study takes a closer look at the intersection of faith, development, and urban resilience. By focusing on the contributions of evangelical Protestant FBOs in Addis Ababa, it seeks to explore not just what they do, but how and why they succeed—or struggle—in creating sustainable change. Through an analysis of their practices, challenges, and opportunities, this research aims to contribute to a deeper understanding of how FBOs can transition from being short-term service providers to long-term development partners in the ever-changing landscape of urban Ethiopia.

1.2. Statement of the Problem

Faith-Based Organizations (FBOs) play a crucial role in socio-economic development, particularly in urban areas where government resources are often insufficient to address pressing social issues. They provide essential services such as education, healthcare, and vocational training, often filling gaps left by public institutions. Their strong community ties allow them to mobilize trust and resources, making them key contributors to urban development (Heist & Cnaan, 2016). However, despite their widespread presence, there remains limited research on the long-term impact, financial sustainability, scalability, and effectiveness of their interventions in urban settings like Addis Ababa (Tsegaye, 2023).

As Ethiopia continues to urbanize rapidly, Addis Ababa faces significant socio-economic challenges, including unemployment, limited healthcare access, and disparities in education. Evangelical Protestant FBOs, such as Ethiopian Kale Heywet Church and Mekane Yesus Church, have been instrumental in addressing these issues. However, while their short-term contributions have been extensively documented, little empirical evidence exists on their long-term sustainability, scalability, and overall effectiveness (Widmer et al., 2011). Many studies acknowledge the immediate benefits of FBO interventions but fail to explore whether these initiatives can be sustained over time, expanded to other communities, or generate lasting socio-economic impact (Mutie, 2019). This study aims to bridge these gaps by offering a comprehensive analysis of the financial sustainability, scalability, and effectiveness of these FBO-led initiatives in Addis Ababa.

Several studies have explored the role of FBOs in education, healthcare, and economic empowerment across sub-Saharan Africa. For instance, Heist & Cnaan (2016) conducted a comprehensive review of faith-based development initiatives in Africa, emphasizing their role in providing essential social services where government capacity is limited. Similarly, Iwu-Jaja et al. (2022) examined the impact of FBOs on maternal and child health outcomes and found short-term improvements but limited long-term sustainability due to financial constraints. In Ethiopia, Mburu (2011) investigated how faith-based initiatives contribute to urban service delivery for low-income populations, concluding that while FBOs improve access to essential services, their long-term impact remains uncertain due to financial instability and limited policy integration.

However, existing literature tends to describe the interventions of FBOs rather than critically assess their sustainability, scalability, and effectiveness (Mutie, 2019). While studies acknowledge the financial dependence of FBOs on international donors, there is little analysis of how these

organizations can develop self-sustaining funding models to ensure long-term service provision (Wodon & Lomas, 2015). Additionally, although vocational training programs have been widely implemented by FBOs, there is limited data on whether these programs translate into long-term employment opportunities and economic independence for beneficiaries (Jennings, 2013). Scalability remains another critical issue, as few studies have examined whether successful FBO-led programs can be expanded beyond localized urban communities (Green et al., 2010).

Financial sustainability is a major challenge for FBOs, as many rely on external funding from international donors, churches, or philanthropic organizations (Seree, 2012). While these funding sources allow for the initial implementation of programs, their long-term sustainability remains uncertain. Bormet et al. (2021) found that FBOs in Kenya and Zambia were heavily dependent on external donor support, making them vulnerable to financial instability when donor priorities shift. Similarly, in Ethiopia, Tsegaye (2023) found that many evangelical Protestant FBOs struggle to develop diversified income sources, leading to program discontinuation when funding diminishes. Despite the acknowledgment of financial dependence, little research has examined how FBOs can transition toward financial self-sufficiency through income-generating activities, social enterprises, or local fundraising strategies (Clarke, 2008). This study will address this gap by investigating the financial models adopted by evangelical Protestant FBOs in Addis Ababa and assessing their long-term financial viability.

Scalability remains another key issue, as successful FBO programs in urban areas often fail to expand beyond their initial communities. Hasu (2018), in a study on World Vision Tanzania, found that while FBOs provide high-impact localized services, their ability to scale these initiatives to a broader population is often hindered by financial constraints, regulatory barriers, and a lack of skilled human capital. In Ethiopia, Tsegaye (2023) noted that most evangelical Protestant FBOs

operate within a limited geographic scope, serving specific urban neighborhoods without a clear strategy for scaling up their programs. Leurs et al. (2011) highlighted that the absence of partnerships with government agencies and private sector stakeholders limits the ability of FBOs to expand their reach. Despite these insights, no comprehensive study has examined the scalability challenges faced by Ethiopian FBOs, particularly in the context of urban community development. This research seeks to fill this gap by identifying the barriers to scalability and exploring potential strategies for expansion.

Another underexplored aspect of FBO-led initiatives is their effectiveness in achieving long-term socio-economic impact. While FBOs have played a pivotal role in vocational training and job creation, research on their actual impact on long-term employment outcomes is scarce. Bäckström (2024) found that many beneficiaries of FBO-led vocational training programs in sub-Saharan Africa struggle to secure stable employment, raising concerns about the effectiveness of these initiatives. Similarly, Mhaka-Mutepfa & Maundeni (2019) found that faith-based NGOs in Zimbabwe had positive short-term impacts but lacked mechanisms for long-term sustainability, leading to recurring cycles of dependency among beneficiaries. In Ethiopia, Tsegaye (2023) reported that while evangelical Protestant FBOs provide valuable community services, there is insufficient data on whether these programs lead to long-term socio-economic improvements. This study will evaluate the effectiveness of evangelical Protestant FBO initiatives by assessing whether beneficiaries experience sustainable socio-economic advancements beyond their initial engagement with these programs.

Given Addis Ababa's rapid urbanization and socio-economic challenges, understanding the effectiveness, financial sustainability, and scalability of evangelical Protestant FBO interventions is crucial. While existing research has extensively documented what FBOs do, there is no

comprehensive evaluation of whether their interventions are sustainable in the long term, financially viable without heavy donor dependency, scalable to other urban areas, or effective in addressing systemic socio-economic challenges. By addressing these key research gaps, this study will provide empirical evidence on the long-term impact of FBO initiatives, offer practical recommendations for FBO leaders, policymakers, and development practitioners, and contribute to the broader discourse on faith-based urban development in Ethiopia.

This study fills a critical research gap by evaluating the sustainability, scalability, and effectiveness of evangelical Protestant FBO interventions in Addis Ababa. While previous studies have focused on the short-term benefits of FBO initiatives, they have failed to examine the long-term financial stability, expansion potential, and measurable social impact of these programs. By providing empirical insights, this research will contribute to academic scholarship and inform FBO leaders, government agencies, and international development organizations on how to enhance the impact of FBO-led community development programs in urban Ethiopia.

1.3. Research Questions

1. What types of services do evangelical Protestant FBOs provide in Addis Ababa?
2. How financially sustainable are these FBO programs, and what strategies do they use to maintain their funding?
3. What challenges hinder the scalability of FBO programs in urban community development?
4. How effective are FBO-led initiatives in addressing key socio-economic issues such as education, healthcare, and employment?

1.4. Research Objectives

1.4.1. General Objective:

The general objective of this study is to evaluate the role of evangelical Protestant FBOs in urban community development in Addis Ababa.

1.4.2. Specific Objectives:

1. To examine the types of services offered by evangelical Protestant FBOs in Addis Ababa.
2. To analyze the financial sustainability of FBO-led programs and the strategies used for long-term funding.
3. To identify the challenges affecting the scalability of FBO programs.
4. To assess the overall effectiveness of FBO interventions in addressing socio-economic issues such as education, healthcare, and employment.

1.5. Significance of the Study

This study is significant for several reasons, particularly in the context of Addis Ababa's rapid urbanization and the developmental challenges it presents. Evangelical Protestant Faith-Based Organizations (FBOs) such as the Ethiopian Kale Heywet Church and Mekane Yesus Church have demonstrated their ability to address critical gaps in education, healthcare, and economic empowerment. By analyzing their contributions, this research not only provides a deeper understanding of their role but also addresses key gaps in existing literature, particularly in the areas of sustainability, equity, and scalability of their interventions.

At the academic level, this study contributes to a growing body of work on urban community development by providing a localized and contextualized analysis of FBOs' impact in Addis Ababa. While much of the existing research documents what FBOs do, few studies critically evaluate how their interventions translate into long-term socio-economic transformation. This research fills that gap, offering actionable insights into how FBOs can transition from immediate service providers to strategic development partners.

Practically, the findings are intended to inform policymakers, FBO leaders, and development practitioners. By identifying best practices, challenges, and opportunities, the study offers strategies for improving the sustainability and inclusivity of FBO-led initiatives. It also emphasizes the importance of collaboration between FBOs, governments, and other stakeholders to maximize the impact of community development efforts.

Finally, the study aligns with global development priorities such as the United Nations Sustainable Development Goals (SDGs), particularly those related to poverty reduction, health, education, and reduced inequalities. By focusing on Addis Ababa, the research also contributes to understanding urban resilience and the potential for faith-based approaches to enhance sustainable urban development.

1.6. Scope and Limitations of the Study

1.6.1. Scope of the Study:

This study focuses on the contributions of evangelical Protestant FBOs in Addis Ababa, with specific attention to the Ethiopian Kale Heywet Church and Mekane Yesus Church. The research examines these organizations' efforts in three key areas: education, healthcare, and economic

empowerment. The analysis explores how these interventions address urban challenges such as poverty, unemployment, and social inequality.

The scope is geographically limited to Addis Ababa, Ethiopia's largest and fastest-growing urban center. This focus is intentional, as the city's unique socio-economic dynamics marked by rapid urbanization, housing shortages, and high unemployment rates make it a critical case study for understanding the potential of FBO-led community development.

In terms of timeframe, the study evaluates recent interventions and their outcomes over the past decade (2013–2023). This allows for an analysis of contemporary practices and trends while considering the evolving challenges of urbanization.

1.6.2. Limitations of the Study:

While the study provides valuable insights, it is not without limitations. First, the reliance on self-reported data from FBOs may introduce biases, particularly in the evaluation of program outcomes. Efforts will be made to cross-verify cross-referencing self-reported data with government reports and independent evaluations.

Second, access to detailed financial and operational records of the organizations may be restricted. This could limit the depth of analysis regarding their sustainability strategies and resource allocation.

Third, the study focuses specifically on evangelical Protestant FBOs, which means its findings may not be generalizable to other types of faith-based or secular organizations operating in Addis Ababa. However, this specificity allows for a more nuanced analysis of the selected case.

Lastly, the geographic scope, limited to Addis Ababa, may not capture variations in FBO practices and challenges across Ethiopia. While the city provides a valuable case study, future research could expand to rural or peri-urban areas to build a more comprehensive understanding.

1.7. Definition of Terms

Faith-Based Organization (FBO): Religious entities engaged in social service delivery and community development, often leveraging moral authority and community trust to address societal challenges (Berger, 2003).

Sustainability: The capacity of an organization to maintain operations and achieve objectives over the long term without over-reliance on external support (Wodon, 2019).

Developmental Impact: The measurable long-term effects of an intervention on poverty reduction, employment generation, and socio-economic resilience (Clarke, 2006).

Urbanization: The process by which rural populations migrate to cities, leading to growth in urban areas, often accompanied by challenges such as housing shortages, unemployment, and inadequate infrastructure (Arega Sadore et al., 2024).

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

Faith-Based Organizations (FBOs) have increasingly become pivotal actors in urban development, addressing socio-economic challenges where public services are limited or absent. These organizations operate at the intersection of cultural, social, and economic domains, providing tailored interventions that align with local contexts. In Ethiopia, particularly in urban centers like Addis Ababa, FBOs are instrumental in addressing gaps in education, healthcare, and economic empowerment.

Recent years have witnessed a shift in the operational paradigms of FBOs, moving from traditional charity-driven models to approaches grounded in sustainability and systemic impact. Studies such as Weldu (2022) highlight how FBOs have embraced innovative strategies, such as microfinance programs and vocational training initiatives, to enhance their developmental effectiveness. Moreover, partnerships with government and private entities have emerged as key enablers of resource mobilization and scalability (Gobbo et al., 2024).

However, the challenges faced by FBOs remain significant. Questions of sustainability, inclusivity, and alignment with broader development frameworks persist. For instance, Tsegaye (2023) notes that many FBO-led initiatives struggle to transition from short-term relief efforts to long-term developmental projects. This gap underscores the need for enhanced policy integration and stakeholder collaboration.

This review examines the theoretical foundations, historical evolution, and empirical contributions of FBOs in urban Ethiopia. It emphasizes critical themes such as sustainability, equity, and collaboration while identifying gaps that hinder systemic impact. By integrating recent research, the review seeks to provide a comprehensive understanding of the role of FBOs in addressing urban development challenges in Addis Ababa.

Faith-Based Organizations (FBOs) play a vital role in urban development, particularly in regions where public services are insufficient. Their ability to mobilize community trust, resources, and engagement makes them effective in addressing social challenges such as education, healthcare, and economic empowerment. In Addis Ababa, where rapid urbanization has exacerbated socio-economic disparities, evangelical Protestant FBOs have emerged as essential actors in community development.

This literature review explores the theoretical foundations, empirical contributions, and sustainability concerns related to FBO interventions. Special attention is given to the effectiveness of FBO-led services and their scalability. The revised conceptual framework integrates service delivery and effectiveness as key determinants of long-term developmental impact. Additionally, this section reviews how these interventions align with global sustainable development goals (SDGs) and how partnerships between FBOs, governments, and private institutions can enhance their impact.

2.2. Theoretical Framework

FBOs' unique positioning within communities allows them to leverage social and cultural assets for developmental purposes. This section explores the theoretical foundations that underpin their operations, focusing on Social Capital Theory and Asset-Based Community Development.

1. Social Capital Theory:

Social capital is central to FBOs' ability to mobilize resources and foster community cohesion. Defined as the networks, norms, and trust facilitating collective action, social capital is both a resource and an outcome of FBO interventions. Koehrsen and Burchardt (2024) argue that FBOs generate "bonding social capital" within communities, strengthening intra-group relationships. This dynamic is particularly evident in Addis Ababa, where FBOs address socio-economic vulnerabilities through collective action.

Additionally, "bridging social capital," which connects disparate groups, has proven critical in reducing inter-group tensions and promoting inclusive development. Research by Dalelo and Stellmacher (2022) illustrates how FBOs in urban Ethiopia have successfully navigated religious and cultural divides to deliver community-centric programs.

2. Asset-Based Community Development:

The asset-based approach prioritizes leveraging existing community strengths rather than focusing on deficits. FBOs embody this philosophy by utilizing local skills, infrastructure, and leadership to implement developmental initiatives. Smørdal (2019) highlights how this model has empowered Ethiopian communities, particularly in areas like vocational training and small business development.

By combining social capital with asset-based strategies, FBOs contribute to both immediate and long-term resilience. However, gaps remain in aligning these frameworks with national development policies, limiting scalability and systemic impact (Halefom, 2023). Addressing these gaps Theory of Change (ToC)

The Theory of Change provides a framework for assessing the impact of FBO-led interventions by outlining how specific activities lead to short-term, intermediate, and long-term changes. This approach helps organizations design effective community programs by establishing measurable outcomes (James, 2023). By applying ToC, FBOs can evaluate their interventions and refine strategies to improve developmental impact. Weiss (1995) argues that ToC enables organizations to assess causal pathways, making it a critical tool for evaluating FBO initiatives.

Sustainable Development Framework

FBO interventions increasingly align with the United Nations Sustainable Development Goals (SDGs), particularly in areas such as poverty reduction (SDG 1), quality education (SDG 4), and health and well-being (SDG 3). Studies highlight that effective FBO programs adopt a sustainable development framework to enhance long-term impact (Gobbo et al., 2024). However, concerns persist about the integration of FBO activities within national policy frameworks, which can impact the scalability of their initiatives. Sachs (2015) argues that SDGs require the involvement of grassroots organizations, including FBOs, to achieve equitable global development.

Institutional Theory

Institutional theory examines how organizations conform to social norms, regulatory environments, and institutional pressures. FBOs often balance religious traditions with

development mandates, requiring them to navigate governance structures while maintaining their faith-based identity (Scott, 2014). This framework is crucial in understanding how FBOs interact with public institutions and donors in urban settings like Addis Ababa. DiMaggio and Powell (1983) highlight that institutional isomorphism influences how organizations adapt to policy changes, which is relevant to the operational dynamics of FBOs. requires stronger institutional support and capacity building.

Historical Context

The history of FBOs in Ethiopia reflects their adaptability and resilience in addressing changing societal needs. From their early involvement in humanitarian aid to their current focus on systemic development, FBOs have played a transformative role in urban Ethiopia.

1. Emergence as Key Players:

Historically, FBOs emerged to fill gaps left by the state, particularly in education and health sectors. In Ethiopia, organizations like the Ethiopian Kale Heywet Church were among the first to establish schools and clinics in underserved areas. Recent studies show that these early efforts laid the foundation for more sophisticated interventions aimed at addressing urban challenges (Tsegaye, 2023).

2. Evolving Focus Areas:

Over the decades, the focus of FBOs has shifted from reactive aid to proactive development. This shift is evident in initiatives that emphasize skills training, gender empowerment, and climate resilience. Wahab (2019) notes that FBOs in Addis Ababa have increasingly aligned their programs with the SDGs, reflecting a broader commitment to sustainable development.

3. **Integration Challenges:**

Despite their contributions, FBOs have faced challenges in integrating their initiatives with public development plans. For instance, limited coordination with government agencies has often resulted in duplicated efforts or inefficiencies. Studies recommend stronger partnerships and clearer role definitions to enhance the impact of FBOs in urban Ethiopia (Gobbo et al., 2024).

FBOs and Community Development

FBOs are central to urban community development, addressing critical needs in education, healthcare, and economic empowerment. Their community-centered approach allows them to deliver culturally sensitive interventions tailored to local contexts.

1. **Education:**

FBO-led educational programs have significantly improved literacy and vocational skills in Addis Ababa. Programs targeting marginalized youth have not only enhanced educational outcomes but also reduced unemployment rates. Gobbo et al. (2024) emphasize the role of these initiatives in promoting social mobility and breaking the cycle of poverty.

2. **Healthcare:**

FBOs' contributions to healthcare in urban Ethiopia are notable. Mobile clinics, maternal health programs, and disease prevention campaigns have improved access to essential health services. Abera et al. (2024) document how FBO partnerships with public health agencies have enhanced service delivery in underserved areas.

3. **Economic Empowerment:**

By providing microfinance, skills training, and entrepreneurial support, FBOs empower

urban poor to achieve financial independence. Tsegaye (2023) highlights successful case studies where FBO interventions have led to sustainable livelihoods for marginalized groups.

While these contributions are significant, the scalability and sustainability of FBO initiatives remain areas of concern. Collaborative frameworks that integrate FBOs into broader development strategies are essential for maximizing their impact.

Sustainability of FBO Initiatives

Sustainability is a critical challenge for Faith-Based Organizations (FBOs), particularly in urban development contexts. Ensuring the long-term viability of their initiatives requires innovative approaches to funding, community involvement, and policy integration.

1. Challenges in Sustainability:

- **Funding Volatility:** FBOs often rely on external donors, making their programs vulnerable to funding shortages. Research by Koehrsen and Burchardt (2024) highlights the precarious nature of this reliance, particularly for initiatives targeting urban populations.
- **Community Ownership:** Limited local engagement can undermine the sustainability of FBO initiatives. Studies reveal that programs lacking robust community participation often face resistance or neglect after external support ends (Weldu, 2022).

2. Strategies for Sustainability:

- **Innovative Funding Models:**

FBOs in Addis Ababa have begun exploring alternative funding sources, such as social enterprises and income-generating activities. For instance, microfinance programs that reinvest profits into community development have shown promise in sustaining healthcare and education projects (Halefom, 2023).

- **Partnerships and Integration:**

Collaboration with government and private sector actors enhances resource sharing and ensures alignment with broader development goals. Gobbo et al. (2024) document successful FBO-government partnerships that have integrated urban education programs into national frameworks.

3. Case Studies:

In Ethiopia, the Ethiopian Kale Heywet Church has demonstrated how diversified funding and local partnerships can sustain community health initiatives. Their program, which combines donor funding with community-managed microloans, has successfully expanded access to maternal health services in Addis Ababa (Tsegaye, 2023).

Addressing sustainability challenges is essential for transitioning FBOs from short-term relief providers to long-term development actors. Policymakers and stakeholders must support capacity-building initiatives to enhance FBOs' strategic planning and implementation capabilities.

Equity and Social Justice

Ensuring equitable access to services is a fundamental objective of FBOs. However, disparities in service delivery and resource allocation continue to pose challenges.

1. **Disparities in Access:**

Studies indicate that some FBO initiatives inadvertently favor specific religious or ethnic groups, leading to inequities in service provision. Wahab (2019) highlights examples where FBOs' faith-based identity influenced the distribution of resources, particularly in multi-religious urban settings like Addis Ababa.

2. **Adopting Inclusive Practices:**

○ **Needs-Based Approaches:**

Inclusive practices that prioritize socio-economic vulnerabilities over religious affiliations have proven effective. Abera et al. (2024) discuss gender-focused programs in Ethiopia that address disparities by targeting marginalized women.

○ **Community Feedback Mechanisms:**

Involving beneficiaries in program design and evaluation can enhance inclusivity. Tsegaye (2023) notes that participatory planning processes have reduced biases and improved trust in FBO initiatives.

3. **Social Justice Frameworks:**

FBOs can enhance their impact by aligning with international frameworks like the Sustainable Development Goals (SDGs). Tadros (2023) emphasizes the importance of integrating equity and social justice principles into organizational missions and strategies.

4. **Case Example:**

A gender-transformative program in Woliso, Ethiopia, involving religious leaders and FBOs, successfully promoted equity in service delivery while challenging traditional gender norms (Gobbo et al., 2024). This initiative underscores the potential of collaborative, equity-focused interventions.

While FBOs have made strides in addressing disparities, sustained efforts are required to ensure universal access to their services. Strengthening partnerships and adopting inclusive strategies can help overcome these challenges.

Collaboration and Partnerships

Collaboration is a cornerstone of FBO effectiveness, enabling them to scale their impact and address complex urban development challenges.

1. Benefits of Collaboration:

- **Resource Optimization:**

Partnerships enable FBOs to pool resources, enhance efficiency, and reduce duplication of efforts. For instance, joint healthcare initiatives in Addis Ababa have expanded access to maternal health services in underserved areas (Abera et al., 2024).

- **Capacity Building:**

Collaborative frameworks provide opportunities for knowledge sharing and capacity enhancement. Halefom (2023) documents cases where partnerships with international NGOs introduced innovative methods in education and healthcare.

2. Challenges in Partnerships:

- **Value Misalignment:**

Differing organizational priorities and values can hinder collaboration. Koehrsen and Burchardt (2024) emphasize the need for clear communication and mutual respect to overcome such barriers.

- **Power Dynamics:**

Unequal resource contributions often lead to imbalances in decision-making, undermining the spirit of partnership (Wahab, 2019).

3. **Strategies for Successful Collaboration:**

- **Shared Goals:**

Establishing common objectives and defining roles ensures alignment and minimizes conflicts.

- **Inclusive Planning:**

Participatory approaches that involve all stakeholders, including community members, enhance trust and effectiveness (Weldu, 2022).

4. **Empirical Evidence:**

Recent partnerships in Addis Ababa, involving FBOs, government agencies, and NGOs, have improved urban sanitation and water access. These collaborations demonstrate the potential of multi-stakeholder frameworks to address systemic issues (Gobbo et al., 2024).

By fostering equitable and transparent partnerships, FBOs can enhance their developmental impact and contribute to sustainable urban growth.

2.3. **Empirical Studies on FBO Impact**

Empirical research provides compelling evidence of the contributions of Faith-Based Organizations (FBOs) to urban community development. In Ethiopia, FBOs have played a transformative role, especially in areas like education, healthcare, and economic empowerment.

1. **Quantitative Findings:**

- **Education:** FBO-led educational programs have significantly improved literacy rates and access to vocational training. Studies by Gobbo et al. (2024) reveal a 25% increase in school enrollment rates in Addis Ababa neighborhoods with active FBO intervention. Similarly, Halefom (2023) highlights the success of youth-focused programs that provide technical training and job placement services.
- **Healthcare:** Abera et al. (2024) document that FBO-supported health initiatives reduced maternal mortality rates by 30% over five years in Addis Ababa's underserved areas. Mobile clinics and health workshops contributed significantly to these outcomes.

2. Qualitative Perspectives:

- **Social Capital and Trust:** FBOs often enjoy higher levels of trust compared to state institutions. Community interviews conducted by Tsegaye (2023) indicate that residents perceive FBOs as more responsive and culturally sensitive than government agencies.
- **Empowerment:** Testimonies from participants in microfinance programs highlight the role of FBOs in fostering financial independence. Wahab (2019) describes how FBO-led savings groups have empowered women to start small businesses and contribute to household incomes.

3. Case Studies in Urban Ethiopia:

- **Maternal Health Programs:** The Ethiopian Kale Heywet Church has pioneered community health initiatives targeting maternal and child health in Addis Ababa. Their partnerships with local clinics have significantly improved access to prenatal care and health education (Weldu, 2022).

- **Sanitation and Housing:** Collaborations between FBOs and municipal authorities have enhanced access to clean water and improved housing conditions in low-income neighborhoods (Gobbo et al., 2024).

4. **Research Gaps:**

While these studies underscore the positive impact of FBOs, gaps remain in understanding their long-term sustainability and adaptability. Most evaluations focus on short-term outcomes, with limited data on how FBO interventions evolve over decades (Koehrsen & Burchardt, 2024).

Empirical evidence demonstrates the multifaceted contributions of FBOs to urban development. However, addressing the identified gaps will require longitudinal studies and more robust evaluation frameworks.

In conclusion, this literature review highlights the significant contributions of Faith-Based Organizations (FBOs) to urban community development, particularly in Addis Ababa. By addressing critical gaps in education, healthcare, and economic empowerment, FBOs have established themselves as key development actors. Their ability to mobilize resources, foster social cohesion, and provide culturally attuned services underscores their transformative potential.

However, this review also reveals persistent challenges that limit the systemic impact of FBOs. Issues of sustainability, equity, and collaboration remain critical barriers to achieving long-term developmental goals. While FBOs excel in addressing immediate community needs, their integration into broader development frameworks requires further attention.

To enhance their effectiveness, FBOs must adopt innovative funding models, inclusive practices, and stronger partnerships with public and private entities. Future research should focus on longitudinal studies to assess the scalability and adaptability of FBO initiatives. Additionally, policymakers and stakeholders should prioritize capacity building to support FBOs in navigating the complexities of urban development.

By addressing these challenges and leveraging their strengths, FBOs can play an even greater role in building resilient and equitable urban communities in Ethiopia and beyond.

2.4. Conceptual Framework

Sustainability

Tsegaye (2023) advocates for hybrid funding models combining philanthropy, social enterprises, and government partnerships. Gobbo et al. (2024) suggest that integrating financial autonomy into program design can significantly improve resilience.

In this study, sustainability refers to the capacity of evangelical Protestant FBOs in Addis Ababa to maintain their development programs and impacts over the long term, without over-reliance on external donor support, through diversified funding, community engagement, and institutional partnerships.

Developmental Impact

Few studies offer longitudinal data on the developmental outcomes of FBO initiatives. Kaunda and Teklu (2024) argue that rigorous impact assessments are essential for validating FBO contributions to urban resilience.

So far from researcher perspective, Developmental impact in this research pertains to the measurable changes achieved by FBO programs in education, healthcare, and economic empowerment, contributing to poverty reduction, improved quality of life, and socio-economic resilience in Addis Ababa.

In this study, Equity is the fair and inclusive distribution of resources and services by FBOs, ensuring that marginalized groups—such as low-income households, women, and youth—are prioritized in their community development initiatives.

Scalability:

Scalability refers to the ability of FBOs in Addis Ababa to expand their successful programs to other urban and peri-urban areas, addressing socio-economic challenges on a larger scale while maintaining effectiveness and quality.

Framework Description

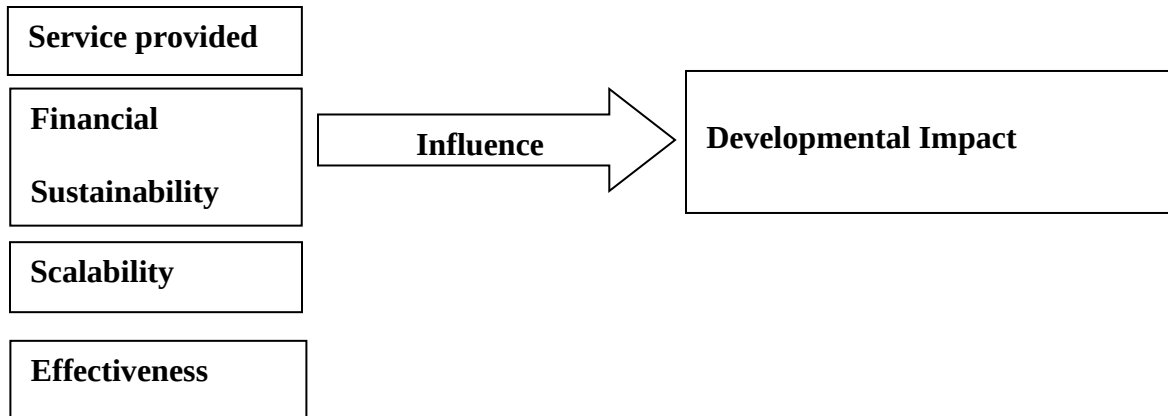
Independent Variables:

- Sustainability: Financial resilience and continuity of programs.
- Service Delivery: Encompasses education, healthcare, vocational training, and economic empowerment initiatives.
- Effectiveness: Assesses how well FBO interventions address socio-economic challenges and meet community needs.
- Scalability: Ability to extend impact beyond localized communities.

1. Dependent Variable:

- **Developmental Impact:** Measured through indicators such as improved healthcare access, reduced unemployment, and enhanced educational outcomes.

Diagram: Conceptual Framework



The above diagram represents the direct influence of each independent variable on the developmental outcomes achieved by FBOs in urban contexts.

Diagram Description:

The conceptual framework visually represents how the independent variables influence the dependent variable (Developmental Impact of FBOs).

Independent Variables:

- **Services Provided:** Includes education, healthcare, vocational training, and economic empowerment.
- **Financial Sustainability:** Examines funding sources and long-term resource management.
- **Scalability:** Determines whether successful programs can be expanded or replicated in other urban areas.

- Effectiveness: Measures how well FBO interventions address socio-economic challenges.

Dependent Variable:

- Developmental Impact of FBOs: Represents the long-term benefits and socio-economic changes resulting from FBO initiatives in Addis Ababa.

The arrows indicate the direct influence of each independent variable on the developmental impact of FBOs.

Geographic Distribution of FBO Programs in Addis Ababa



- **Blue markers:** Educational programs
- **Green markers:** Healthcare services
- **Yellow markers:** Economic empowerment initiatives
- **Red markers:** General community services

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Description of the Study Area

The study is conducted in Addis Ababa, Ethiopia's capital city, characterized by rapid urbanization, socio-economic diversity, and significant developmental challenges. Faith-Based Organizations (FBOs), such as the Ethiopian Kale Heywet Church and Mekane Yesus Church, operate widely in the city's sub-cities. These organizations implement community development programs in healthcare, education, and economic empowerment, making Addis Ababa an ideal case for examining FBO contributions to urban development.

3.2 Research Design

This study adopts a mixed-methods research design, integrating both quantitative and qualitative approaches to provide a comprehensive analysis of the role of evangelical Protestant Faith-Based Organizations (FBOs) in urban community development in Addis Ababa. Mixed-methods designs are particularly effective in studies involving complex social phenomena, as they allow for both statistical measurement and in-depth exploration of human experiences (Creswell & Plano Clark, 2018). In this research, the combination of numerical data and qualitative insights enables a multidimensional understanding of FBO interventions, encompassing not only the scale and scope of their activities but also the perceptions, motivations, and lived experiences of stakeholders.

The quantitative component of the research involves the use of structured questionnaires distributed to FBO leaders, program beneficiaries, and relevant community stakeholders. This approach aims to generate measurable data on the types and extent of services provided, levels of

financial sustainability, and the scalability of FBO programs. The structured nature of the surveys allows for statistical analysis and comparison across variables, facilitating the identification of patterns and correlations. Quantitative methods are particularly valuable in assessing broad trends and providing generalizable findings across the urban context of Addis Ababa (Bryman, 2016).

The qualitative component complements this by capturing rich, contextual information through in-open-ended survey questioners. These methods are designed to explore the effectiveness of FBO programs, as well as the challenges they face in implementing and sustaining development initiatives. This qualitative dimension helps uncover deeper insights into how FBOs navigate urban challenges, foster trust within communities, and sustain their interventions over time. By triangulating data from multiple sources and methodological perspectives, the mixed-methods approach enhances the validity, reliability, and depth of the study, ensuring a more holistic and nuanced understanding of faith-based urban development (Tashakkori & Teddlie, 2010).

3.4 Sources of Data

Primary Data

- **Beneficiaries:** Surveys and focus group discussions provide firsthand insights into the impact of FBO programs.

Secondary Data

- Financial records and program reports from FBOs.
- Government development plans and reports.

3.5 Data Gathering Instruments

To ensure systematic and standardized data collection, the primary instrument used in this study was a **structured questionnaire** developed based on the research objectives and relevant literature on Faith-Based Organizations (FBOs) and urban development. The questionnaire was designed to measure key variables such as service provision, financial sustainability, program effectiveness, scalability, and developmental impact.

Each questionnaire consisted of **closed-ended items using a five-point Likert scale**, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5). This format was chosen for its ability to quantify attitudes, perceptions, and levels of agreement with specific statements related to FBO interventions. Likert scales are particularly effective in capturing degrees of opinion and have been widely endorsed in social science research for their simplicity, reliability, and ease of analysis (Joshi et al., 2015; Boone & Boone, 2012).

The structured questionnaires were distributed to a total of beneficiaries of FBO programs in Addis Ababa and also FBO Leaders and Staff . The distribution was carried out in person by trained data collectors who ensured participants understood the content and purpose of the questions. The use of stratified random sampling enabled fair representation across different sub-cities and socio-economic groups, enhancing the generalizability of the findings.

The questionnaire was pre-tested with a small pilot group to ensure clarity, relevance, and internal consistency. Feedback from the pre-test was incorporated to refine the language and structure of the items. The final instrument demonstrated acceptable reliability, with all key constructs recording Cronbach's alpha values above the 0.7 threshold (Nunnally & Bernstein, 1994), indicating good internal consistency.

The instrument's design aligned with best practices in mixed-methods research, allowing for both quantification of trends and the identification of relationships between variables (Creswell & Plano Clark, 2018). This approach ensured that the data collected were both statistically robust and contextually meaningful, thereby supporting the study's objective to provide a comprehensive assessment of evangelical Protestant FBOs' role in urban development.

3.6. Sampling Design

Population

The target population for this study comprises two primary groups closely involved with the operations and outcomes of Faith-Based Organizations (FBOs) in Addis Ababa:

1. **Beneficiaries of FBO Programs:** These include individuals and community members who directly receive support from evangelical Protestant FBO initiatives, particularly in the areas of healthcare, education, and economic empowerment. Understanding the perceptions and experiences of this group is essential for assessing the effectiveness, impact, and sustainability of FBO-led development interventions.
2. **FBO Leaders and Staff:** This group consists of program directors, coordinators, and other personnel involved in the planning, implementation, and management of FBO development programs. Their insights are critical for understanding organizational strategies, operational challenges, financial sustainability mechanisms, and future scalability prospects.

By incorporating both beneficiaries and organizational personnel into the study population, the research achieves a balanced and comprehensive perspective on FBO interventions in urban

community development. This dual focus supports a multidimensional analysis of both service delivery and institutional capacity.

Sample Size

- Adjusted Cochran's Formula is applied to compute the number of respondents and 300 beneficiaries surveyed.
- $n = \frac{n_0}{1 + n_0 - 1/N}$

Where:

- n_0 = Cochran's initial sample size (for large populations) = 384
- N = Total number of beneficiaries (finite population)
- e = Margin of error (0.05 for 95% confidence level)

Calculation computed

- If the total number of FBO beneficiaries in your study is 5,000:
- $$n = \frac{384}{1 + \frac{384 - 1}{5000}} = \frac{384}{1 + 0.0766} = \frac{384}{1.0766} \approx 357$$
- Thus, the recommended sample size is 357, but it can be justified using 300 due to practical constraints such as time, cost, and response rates.

Sampling Technique

Stratified Random Sampling ensures representation from all relevant groups.

1. **Strata Formation:** Population is divided into strata based on sub-cities and socio-economic factors (e.g., low-income groups, middle-income groups, FBO program types).
2. **Sample Selection:** Random sampling is applied within each stratum to select participants proportionally to the size of the stratum.

Example: If 60% of FBO beneficiaries in a particular program reside in one sub-city, the same proportion (60% of the total sample) will be selected randomly from that sub-city. This ensures fair representation across all strata.

3.7. Data Analysis

According to Sarantokos (1998), data analysis allows the researcher to organize the information gathered during the study in order to appraise and evaluate the findings and come to a valid, reasonable, and appropriate conclusion. In the business research domain, the STATA has been applied widely to infer results. Recently many researchers in social sciences studies have applied this package and found relationships of predictor variables (Cinite *et al.*, 2009; Park and Kim, 2009, Abdulsemed, 2018). In this study, data was analyzed by applying STATA. Through this package a number of statistical tests including descriptive statistics and correlations test were analyzed from the data of the study. To describe the demographic characteristics of the sample and general results, various descriptive statistics such as frequencies, means, and standard deviations will be used. While for alpha reliability, Pearson's correlations and exploratory factor analysis package will also applied to infer results. This technique is widely used to assess the relationship of predictor variables (Cinite *et al.*, 2009; Elias, 2009).

The quantitative data collected through structured questionnaires will be analyzed using the STATA software. Descriptive statistics, such as means, frequencies, and percentages, will be used to summarize the demographic characteristics of respondents and to describe the scope and types

of services provided by evangelical Protestant FBOs in Addis Ababa. These statistics will offer an overview of how FBO programs operate within the city and the extent of their community engagement. Additionally, inferential statistical techniques, particularly regression analysis, will be employed to examine the relationships between variables such as financial sustainability, scalability, and perceived effectiveness of the interventions. Regression models will help identify significant predictors of long-term program success, enabling a deeper understanding of what factors contribute to or hinder the effectiveness of FBO-led development efforts (Field, 2018)..

3.8. Ethical Considerations

The study will adhere to ethical research practices, including obtaining informed consent from participants, ensuring confidentiality, and addressing potential biases in data interpretation.

3.9. Validity and Reliability

3.9.1. Validity

Variability refers to the extent to which the responses in the dataset differ from each other. It reflects the dispersion or spread of the data points around a central value, such as the mean. In the context of this study, variability will help in understanding the diversity of opinions, perceptions, and experiences of the managers and team leaders regarding e-government initiatives. Measures of variability, such as standard deviation, variance, and range, have been calculated to assess how consistent or varied the responses are within different groups or across the entire sample. Higher variability may indicate differing views on the effectiveness of the e-government tools, while lower variability may suggest a consensus among the respondents.

3.9.2. Reliability

The Cronbach's alpha reliability test is used to measure the internal consistency of a set of items in a scale, and it ranges from 0 to 1, with higher values indicating greater reliability (Tavakol & Dennick, 2011). A commonly accepted threshold for reliability is a Cronbach's alpha of 0.7 or above, which suggests an acceptable level of internal consistency (Nunnally & Bernstein, 1994). In this case, all variables have Cronbach's alpha values above 0.7, indicating that the measurement scales used to assess the respective constructs are reliable.

For the "Service provided" variable, the Cronbach's alpha coefficient is 0.713, which is just above the 0.7 threshold. This suggests that the items used to measure the service provided are reliably measuring the same underlying construct. Similarly, "Financial Sustainability" has a Cronbach's alpha of 0.788, indicating a good level of internal consistency and suggesting that the items assessing financial sustainability are appropriately aligned (Hair et al., 2010). The "Effectiveness" variable also shows strong reliability with a Cronbach's alpha of 0.75, which further supports the consistency of the items measuring the effectiveness of the programs.

The "Scalability" variable has the highest Cronbach's alpha coefficient at 0.85, demonstrating excellent reliability and internal consistency. This high value indicates that the items used to measure scalability are very consistent and effectively measure the concept of scalability within the context of the study (George & Mallery, 2003). Finally, the "Developmental Impact" variable, with a Cronbach's alpha of 0.713, shows a similar level of reliability as "Service provided," meeting the acceptable threshold for internal consistency. This means the items used to measure developmental impact are also reliably measuring the intended construct.

In conclusion, all variables in this study—Service provided, Financial Sustainability, Effectiveness, Scalability, and Developmental Impact—show Cronbach’s alpha values above the acceptable threshold of 0.7, indicating that the scales used to measure these constructs are reliable. As a result, the measurements can be considered internally consistent, supporting their use in further statistical analyses such as regression or factor analysis (Tavakol & Dennick, 2011). These results align with previous studies that highlight the importance of achieving acceptable reliability levels when using scales for social research (Pallant, 2020).

The following table summarizes the reliability coefficients to be calculated for each variable in the study:

Variable	No.of Items	Cronbach’s Alpha Coefficient
Service provided	5	0.713
Financial Sustainability	5	0.788
Effectiveness	5	0.75
Scalability	5	0.85
Developmental Impact	5	0.713

Table 1:Reliability Test; Source: own source from STATA

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter presents a detailed examination of the data collected from respondents regarding the role of evangelical Protestant Faith-Based Organizations (FBOs) in urban community development in Addis Ababa. The analysis begins with a demographic overview of the study participants, including variables such as gender, age, education level, position within the FBO, and years of experience. Understanding the demographic profile of the respondents is essential to contextualize the responses and assess the reliability of the findings.

Following the demographic analysis, the chapter delves into the responses related to the key variables of the study: services provided, financial sustainability, effectiveness, scalability, and developmental impact. These components, identified as independent and dependent variables, are analyzed through both descriptive and inferential statistical methods using STATA. The analysis aims to uncover trends, relationships, and patterns that shed light on the contributions of FBOs to socio-economic development within urban settings.

The data is presented in a logical and systematic format, beginning with summary statistics and followed by more complex analyses such as correlation and regression, where applicable. This structured approach facilitates a clear interpretation of the findings, enabling the study to draw meaningful conclusions about the developmental impact of FBOs and the factors that influence their success in urban community development efforts.

4.2. Response Rate

Overall, 357 questionnaires were deployed and all of them were returned. This study presented a response rate of close to 100%, which happens to be valid and used for analysis (Fowler, 2002).

The data were presented and analyzed using STATA a statistical software

4.3. Demographic Information of the Respondents

The demographic profile of respondents reveals significant insights into the characteristics of individuals involved in the study. Regarding gender distribution, males dominate the sample, accounting for 77.87% of the respondents, while females constitute 22.13%. This gender disparity may reflect broader societal patterns or specific characteristics of the population targeted by the study. The balanced cumulative percentage shows that all gender-related data were fully accounted for in the analysis.

In terms of age distribution, the majority of respondents (37.54%) fall within the 36-45 age group, indicating a predominance of middle-aged participants. The next largest group, aged 26-35, comprises 25.21%, followed by those aged 56 and above (16.25%). Younger participants (18-25 years) represent only 7.84% of the sample, while those aged 46-55 make up 13.17%. This distribution suggests that the study primarily involved individuals in their prime working and family-supporting years, reflecting a focus on active community contributors.

Educational attainment among the respondents is skewed towards higher qualifications, with a majority (56.30%) holding diplomas. Bachelors' degree holders account for 17.09%, and a smaller segment, 7.28%, have attained a master's degree. Conversely, primary and secondary education levels are less represented, at 10.64% and 8.68%, respectively. This indicates that the respondents

are generally well-educated, which may influence their capacity to engage effectively in Faith-Based Organization (FBO) activities.

Demographic Characteristics	Alternative	Frequency	Percent (%)	Valid Percent (%)
Gender	Male	278	77.87	77.87
	Female	79	22.13	100.00
	Total	357	100	
Age	18 -25 age	28	7.84	7.84
	26-35 age	90	25.21	33.05
	36-45 age	134	37.54	70.59
	46-55 age	47	13.17	83.75
	56+	58	16.25	83.75
	Total	357	100	
Level of Education	Primary	38	10.64	10.64
	Secondary	31	8.68	19.33
	Diploma	201	56.30	75.63
	Bachelors	61	17.09	92.72
	Masters	26	7.28	100.00
	Total	357	100	
How long FBO	Less than 1 year	8	2.24	2.24
	1-3 years	14	3.92	6.16
	4-6 years	240	67.23	73.39
	7+ years	95	26.61	100
	Total	357	100	
FBO Program	Education	60	16.81	16.81
	Healthcare	93	26.05	42.86
	Vocational Training	111	31.09	73.95
	Economic Empowrment	93	26.05	100
	Total	357	100	

Table 2:Demographic Data; Source: own source from STATA

Regarding FBO involvement, a substantial proportion of respondents (67.23%) reported having 4-6 years of experience with their respective organizations, while 26.61% have over seven years of

engagement. Shorter durations of involvement, including less than a year (2.24%) and 1-3 years (3.92%), are less common. In terms of program focus, vocational training leads at 31.09%, followed closely by healthcare (26.05%) and economic empowerment (26.05%), with education programs accounting for 16.81%. This distribution highlights the multidimensional nature of FBO initiatives, emphasizing skills development, health services, and economic empowerment as key areas of impact.

4.4. Descriptive Analysis

4.4.1. Services Provided

The descriptive analysis provides insights into respondents' perceptions of the services delivered by Faith-Based Organizations (FBOs). The variable "The FBO provides accessible education services to the community" has a high mean score of 4.527 with a standard deviation of 0.5, indicating a strong consensus among respondents that FBOs are effectively offering accessible education. The responses are tightly clustered between values 4 and 5, showing consistently positive views.

In contrast, the item "The FBO offers reliable healthcare services to local residents" received a much lower mean score of 2.199, with a standard deviation of 0.697, and responses ranging from 1 to 4. This suggests a relatively critical view of FBO healthcare services, reflecting perceived inadequacies or limited accessibility and reliability in this area.

The items related to vocational training (mean = 4.448, SD = 0.498) and economic empowerment (mean = 4.409, SD = 0.52) also show strong agreement among participants. These high mean values indicate that respondents perceive the vocational training and economic support services provided by FBOs as relevant and beneficial to community needs.

Lastly, the statement “The services provided by the FBO respond effectively to the pressing needs of the urban poor” also yielded a high mean of 4.527, with a standard deviation of 0.5. This further supports the perception that FBOs are playing a significant role in addressing socio-economic challenges in urban settings. Overall, the data suggest that while FBOs are excelling in education, vocational training, and economic empowerment, their healthcare services may require considerable improvement.

Variable	Obs	Mean	Std. Dev.	Min	Max
The FBO provides accessible education services to the community.	357	4.527	.5	4	5
The FBO offers reliable healthcare services to local residents.	357	2.199	.697	1	4
The vocational training programs offered by the FBO are relevant to community needs.	357	4.448	.498	4	5
The FBO engages in activities that economically empower individuals (e.g., entrepreneurship support, job creation).	357	4.409	.52	2	5
The services provided by the FBO respond effectively to the pressing needs of the urban poor.	357	4.527	.5	4	5

Table 3: Services Provided; Source: own source from STATA

4.4.2. Financial Sustainability

The descriptive analysis of financial sustainability variables reveals a generally low perception of Faith-Based Organizations’ (FBOs) financial capacity and management practices. The item “The FBO has diverse and reliable sources of funding” has a mean score of 2.067 with a standard

deviation of 0.684, indicating a moderate but limited agreement among respondents regarding the reliability and diversity of funding sources.

Similarly, the item “The FBO manages its financial resources efficiently” scored a mean of 1.978, suggesting that respondents perceive inefficiencies or limitations in how FBOs handle financial resources. The standard deviation of 0.749 indicates moderate variation in responses, but the overall sentiment leans toward dissatisfaction.

The lowest mean score, 1.773, is observed for the item “The FBO can sustain its programs without external aid.” This implies a strong consensus that most FBOs are highly dependent on external funding and may lack the financial independence necessary for long-term sustainability. The relatively higher standard deviation (0.836) also suggests a wider range of opinions, though most remain on the lower end of the scale.

On a slightly more positive note, the items “The FBO has a clear financial strategy for long-term sustainability” and “The FBO regularly evaluates its budget and spending priorities” have mean scores of 2.059 and 2.241, respectively. While still below a neutral or positive rating, these values suggest that some FBOs may have emerging practices or awareness related to strategic financial planning. Nonetheless, the overall analysis underscores significant concerns regarding the financial stability and autonomy of the FBOs studied.

Variable	Obs	Mean	Std. Dev.	Min	Max
The FBO has diverse and reliable sources of funding	357	2.067	.684	1	3
The FBO manages its financial resources efficiently.	357	1.978	.749	1	3
The FBO can sustain its programs without external aid.	357	1.773	.836	1	3

The FBO has a clear financial strategy for long-term sustainability.	357	2.059	.674	1	3
The FBO regularly evaluates its budget and spending priorities.	357	2.241	.813	1	3

Table 4: Financial Sustainability Source: own source from STATA

4.4.3. Effectiveness

The descriptive analysis of the effectiveness of FBO programs reveals generally modest perceptions of their impact and implementation quality among respondents. The item “The FBO effectively addresses key socio-economic challenges in the community” has a mean score of 2.067 (on a 3-point scale), indicating that while there is some agreement about the FBOs’ relevance, the perception remains moderate rather than strongly positive. The standard deviation of 0.688 shows moderate variability in responses.

Similarly, “The beneficiaries of FBO programs show visible improvement in quality of life” records a mean of 1.997, suggesting that respondents are slightly less convinced of tangible impacts on individuals’ lives. The variability here (0.751) indicates some diversity in views, but still within a generally average assessment.

The item “The FBO's interventions are culturally and contextually appropriate” scores the lowest mean at 1.737, with the highest standard deviation (0.823) among all items. This suggests not only a lower level of agreement but also more disagreement or mixed experiences across different FBOs or community contexts regarding cultural appropriateness.

On a slightly more favorable note, “The FBO routinely monitors and evaluates the outcomes of its programs” has the highest mean at 2.252, reflecting a relatively better performance in terms of accountability and feedback mechanisms. Lastly, the item “Stakeholders perceive the programs as effective” aligns with the overall theme, with a moderate mean of 2.07, pointing to a cautious

acknowledgment of the FBOs' role in development, though with room for improvement in perception and practice.

Variable	Obs	Mean	Std. Dev.	Min	Max
The FBO effectively addresses key socio-economic challenges in the community.	357	2.067	.688	1	3
The beneficiaries of FBO programs show visible improvement in quality of life.	357	1.997	.751	1	3
The FBO's interventions are culturally and contextually appropriate.	357	1.737	.823	1	3
Stakeholders (community members, partners) perceive the programs as effective.	357	2.07	.681	1	3
The FBO routinely monitors and evaluates the outcomes of its programs	357	2.252	.81	1	3

Table 5: Response on Effectiveness; Source: own source from STATA

4.4.4. Scalability

The descriptive analysis of the scalability of FBO programs shows generally positive perceptions with some variability across specific dimensions. The statement “The FBO has developed models that can be replicated in other areas” has a mean score of 2.983 (on a 4-point scale), indicating a moderately strong agreement among respondents regarding the replicability of current program models. The standard deviation of 0.804 suggests some variation in experiences or perceptions across different FBOs.

Similarly, the item “The current programs could be expanded to reach more beneficiaries” has a mean of 2.947, which further supports the notion that most respondents view expansion as feasible. This value is consistent with the previous statement and indicates a relatively stable perception across items. A slightly lower but still strong mean of 2.975 is observed for “The FBO has adequate

resources and partnerships to scale its initiatives,” suggesting optimism about the availability of operational support for scaling.

In contrast, the item “The design of the programs allows for easy adaptation in different urban contexts” shows a lower mean of 2.538 and a noticeably higher standard deviation of 1.133, indicating more diverse opinions and some uncertainty about how easily these programs can be adapted to new environments. This could suggest context-specific design limitations

The strongest agreement is seen in the item “Scaling the FBO’s programs would result in similar developmental benefits elsewhere,” which has a high mean of 4.529 (on a 5-point scale) and a very low standard deviation (0.5). This implies a clear consensus among respondents that program outcomes are transferable and that scaling up would have positive impacts in other areas.

Variable	Obs	Mean	Std. Dev.	Min	Max
The FBO has developed models that can be replicated in other areas.	357	2.983	.804	2	4
The current programs could be expanded to reach more beneficiaries.	357	2.947	.824	2	4
The FBO has adequate resources and partnerships to scale its initiatives.	357	2.975	.791	2	4
The design of the programs allows for easy adaptation in different urban contexts.	357	2.538	1.133	1	4
Scaling the FBO’s programs would result in similar developmental benefits elsewhere.	357	4.529	.5	4	5

Table 6: Response on Scalability; Source: own source from STATA

4.4.5. Developmental Impact

The descriptive analysis of the Developmental Impact of Faith-Based Organizations (FBOs) reveals generally positive perceptions with some notable differences among specific indicators

The item “The FBO contributes to long-term community development” has a mean score of 2.978 on a 4-point scale, suggesting that most respondents agree that FBOs play a meaningful role in fostering sustainable development. A relatively low standard deviation of 0.789 indicates moderate consistency in responses.

A particularly strong consensus is observed in the item “The FBO’s interventions have reduced poverty in the target community”, which has a high mean of 4.529 on a 5-point scale and a low standard deviation of 0.5. This suggests that nearly all respondents strongly agree with the positive impact of FBOs on poverty reduction.

Similarly, the item “The community has experienced socio-economic improvements due to the FBO’s work” has a mean of 2.947, indicating a generally favorable view, though with slightly more variability (std. dev. 0.824) compared to the previous items. This points to some differences in perceived impact across different communities or contexts.

Lastly, while “The FBO promotes social cohesion and community empowerment” received a very high mean of 4.527, showing strong support for FBOs' social contributions, the item “The impact of the FBO’s programs is sustainable over time” had a notably lower mean of 2.538 and the highest standard deviation (1.133) among all items. This suggests mixed views and possible concerns regarding the long-term sustainability of FBO interventions.

Variable	Obs	Mean	Std. Dev.	Min	Max
The FBO contributes to long-term community	357	2.978	.789	2	4

development.						
The FBO's interventions have reduced poverty in the target community.	357	4.529	.5	4	5	
The community has experienced socio-economic improvements due to the FBO's work.	357	2.947	.824	2	4	
The FBO promotes social cohesion and community empowerment.	357	4.527	.5	4	5	
The impact of the FBO's programs is sustainable over time.	357	2.538	1.133	1	4	

Table 7: Response on Developmental Impact; Developmental Impact

4.5. Variable Relationship Analysis

4.5.1. Correlation Analysis

The correlation matrix illustrates the strength and direction of relationships among the key variables under study: Developmental Impact (D), Scalability (SC), Effectiveness (E), Financial Sustainability (F), and Services Provided (S). The strongest positive correlation is observed between Services Provided and Developmental Impact ($r = 0.601$), suggesting that as FBOs increase or improve the services they offer—such as education, healthcare, and economic empowerment—the perceived developmental impact on communities also increases significantly. This underscores the critical role of service delivery in driving socio-economic progress in urban settings.

Scalability also shows a moderately strong positive correlation with Developmental Impact ($r = 0.528$). This implies that FBOs whose programs can be expanded or replicated tend to generate more substantial developmental benefits. The ability to scale up interventions appears to be a

significant factor in maximizing community-wide impact, emphasizing the value of designing flexible and adaptable program models.

Financial Sustainability is also positively correlated with Developmental Impact ($r = 0.502$), indicating that FBOs with diverse funding sources and sound financial management practices tend to achieve better developmental outcomes. This connection highlights the importance of stable financial footing in maintaining and expanding impactful programs over the long term. However, Financial Sustainability has weak or negative correlations with other variables like Effectiveness ($r = -0.125$) and Services Provided ($r = -0.045$), suggesting potential gaps in translating financial strength into perceived program quality or breadth of services.

Effectiveness, while positively correlated with Developmental Impact ($r = 0.294$), exhibits weaker associations with other independent variables, such as a slightly negative correlation with Scalability ($r = -0.028$) and Services Provided ($r = -0.061$). These weak or negative associations may reflect variability in how stakeholders assess the success of FBO interventions, or possible challenges in aligning effective outcomes with expansion or service delivery. Overall, the correlation results support the hypothesis that quality services, financial stability, and scalability are key contributors to the developmental role of FBOs in urban areas.

Variables	(1)	(2)	(3)	(4)	(5)
(1) D	1.000				
(2) SC	0.528	1.000			
(3) E	0.294	-0.028	1.000		
(4) F	0.502	0.009	-0.125	1.000	
(5) S	0.601	0.149	-0.061	-0.045	1.000

Table 8: Correlation Analysis Source: own source from STATA

4.5.2. Regression Result

A multiple linear regression analysis is included in this section of the chapter. It was done to put the theories to the test as formulated in the Chapter one of the thesis. Before running the regression, the following seven assumptions are tested in the following portion.

Regression analysis examines the relationship between changes in one variable and changes in another. Additionally, it involves examining the functional connections between two or more variables. The process of predicting an outcome variable using one or more predictors (single or multiple regression) is known as regression analysis. Making predictions about the dependent variable based on its covariance with all impacted independent variables is the aim of this approach (Field, 2013). This research use multiple regression analysis and includes more than two independent variables.

4.5.3. Sample Size Adequacy

According to Green (1991), the formula $50 + 8k$, where k is the number of predictors in the model, can be used to calculate the least admissible sample size in order to assess the overall fit of a regression model (by testing the R square). Therefore, a sample size of $50 + 8*5 = 90$ is needed for each of the five numbers of predictors (Services Provided, Financial Sustainability, Effectiveness, Scalability, and Developmental Impact). Since 357 samples is more than the bare minimum that is permissible, the sample size adequacy was met.

4.5.4. Multicollinearity Test

The results of the multicollinearity test show that the Variance Inflation Factors (VIFs) for each of the independent variables—Services Provided (S), Scalability (SC), Effectiveness (E), and

Financial Sustainability (F)—are all well below the commonly accepted threshold of 10 (O'Brien, 2007). Specifically, the VIF values range from 1.019 for Financial Sustainability (F) to 1.029 for Services Provided (S), indicating that there is no significant multicollinearity among the predictors in this model. A VIF value close to 1 suggests that the variables are not highly correlated with each other, which is essential for ensuring the stability and interpretability of the regression results (O'brien, 2007).

Furthermore, the mean VIF of 1.023 reinforces that there is minimal multicollinearity present in the data. Since multicollinearity is unlikely to distort the regression estimates or inflate standard errors, the results suggest that it is acceptable to proceed with the regression analysis. The absence of problematic multicollinearity ensures that the relationships between the independent variables and the dependent variable (Developmental Impact) can be accurately estimated without concerns about redundancy among predictors.

	VIF	1/VIF
S	1.029	.972
SC	1.023	.977
E	1.021	.98
F	1.019	.981
Mean	1.023	.
VIF		

Table 9: Variance inflation factor

4.5.5. Homoscedasticity

The results from the Breusch-Pagan / Cook-Weisberg test for heteroskedasticity show that the chi-squared value is 0.26, with a corresponding p-value of 0.6068. In the context of this test, the null hypothesis (H_0) posits that there is constant variance (i.e., homoscedasticity) of the residuals. Since the p-value is considerably higher than the commonly used significance level of 0.05, we fail to reject the null hypothesis. This indicates that there is no evidence of heteroskedasticity in the

regression model, suggesting that the residuals have constant variance across the range of fitted values (Breusch & Pagan, 1979).

Given that homoscedasticity is assumed in regression analysis and there is no indication of heteroskedasticity in this case, it is appropriate to proceed with the regression analysis. The absence of heteroskedasticity ensures that the assumption of constant variance is met, which is crucial for valid inference and the reliability of standard errors in the regression model. Therefore, it is safe to conduct regression analysis without concerns about violating the homoscedasticity assumption.

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance

Variables: fitted values of D

chi2(1) = 0.26

Prob > chi2 = 0.6068

Table 10: Homoscedasticity Source: own source from STATA

4.5.6. Linearity Test

The results from the Ramsey RESET test provide insight into the linearity of the model. The null hypothesis (H_0) of the test is that the model does not suffer from omitted variables, indicating that the model is correctly specified in terms of linearity. The F-statistic is 3.15, with a p-value of 0.0251. Since the p-value is less than the commonly used significance level of 0.05, we reject the null hypothesis. This suggests that there may be some model specification issues, possibly due to omitted variables or nonlinearity in the relationship between the variables.

However, despite the rejection of the null hypothesis, this result is often seen in practice as an indication that the model may benefit from further refinement or the inclusion of additional variables. It does not necessarily imply that regression analysis cannot be performed; instead, it suggests the need for careful consideration of potential omitted variables or nonlinear relationships. Given that the p-value is close to the threshold, it remains reasonable to proceed with regression analysis, but further diagnostic checks or model adjustments might be warranted for improved specification.

Ramsey RESET test using powers of the fitted values of D

Ho: model has no omitted variables

$F(3, 349) = 3.15$

$\text{Prob} > F = 0.0251$

Table 11: Ramsey test result Source: own source from STATA

4.5.7. Normality Distribution test

The results from the normality distribution test provide key insights into the distribution of the variables used in the analysis. For most variables, such as D (Developmental Impact), SC (Scalability), and F (Financial Sustainability), the p-values for both skewness and kurtosis are above the typical significance threshold of 0.05, suggesting that these variables do not significantly deviate from a normal distribution. For example, D and SC have p-values of 0.541 and 0.948 for skewness, and 0.265 and 0.442 for kurtosis, respectively, both indicating that these variables are approximately normally distributed.

However, there are some variables that exhibit potential normality concerns. RE (Effectiveness) and F show p-values close to the 0.05 threshold, with p-values of 0.062 and 0.072 for kurtosis, respectively, which may suggest slight deviations from normality. The most notable concern is with the S (Services Provided) variable, which has a significant skewness p-value of 0.000 and an

adjusted chi-squared statistic of 11.970 (p-value = 0.003). This indicates that the distribution of this variable significantly deviates from normality, which could potentially impact the results of regression analysis.

Despite the deviation in the S variable, the overall results suggest that most of the variables are normally distributed, and the issues with the S variable may not severely affect the regression analysis. Normality is an important assumption for regression analysis, but minor deviations can be acceptable, especially if the sample size is large enough (as it is in this case, with 357 observations). Therefore, it is still appropriate to proceed with regression analysis, keeping in mind the potential need for additional transformations or robustness checks for the variables with minor normality issues.

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	adj_chi2(2)	Prob>chi2
D	357	0.541	0.265	1.620	0.444
SC	357	0.948	0.442	0.600	0.741
RE	357	0.373	0.029	5.560	0.062
F	205	0.528	0.027	5.270	0.072
S	205	0.000	0.786	11.970	0.003

Table 12: Normality Test Source: own source from STATA

4.5.8. ANOVA

The results from the ANOVA test, along with the regression coefficients and significance values, offer important insights into the relationships between the independent variables and the dependent variable (D). The F-test statistic of 55.248 with a p-value of 0.000 indicates that the model as a

whole is statistically significant, meaning that the independent variables collectively explain a significant portion of the variation in the dependent variable. The R-squared value of 0.440 suggests that about 44% of the variation in the dependent variable is explained by the model. This is a relatively good fit for many social science applications, although additional explanatory variables might improve the model.

The individual coefficients indicate how each category of the independent variables influences the dependent variable. For instance, for base category 2, the coefficient of 0.636 for category 4 is highly significant with a p-value of 0.000, showing a strong positive effect on the dependent variable. Similarly, for base category 1, the coefficients for categories 2 and 3 are also significant with p-values of 0.001 and p-values of 0.000, respectively, indicating positive and statistically significant relationships. These results support the interpretation that the independent variables have a meaningful impact on the dependent variable.

Despite some insignificant results, such as the coefficient for category 3 under base 2 ($p = 0.116$), the overall findings suggest that the regression model is robust and appropriate for use. Given that the F-test and most of the individual p-values are significant, it is appropriate to proceed with further regression analysis. The Akaike Information Criterion (AIC) and Bayesian Information Criterion (BIC) values also suggest a relatively well-fitting model with reasonable complexity.

These findings indicate that the model is valid for regression analysis.

D	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
: base 2	0	.	.	.	.	.	
3	.028	.019	1.48	.14	-.009	.066	
4	.636	.043	14.74	0	.551	.721	***
: base 1	0	.	.	.	.	.	
2	.055	.017	3.29	.001	.022	.087	***
: base 1	0	.	.	.	.	.	
2	.069	.017	4.18	0	.037	.102	***
: base 3	0	.	.	.	.	.	
4	.026	.016	1.58	.116	-.006	.058	
Constant	1.893	.027	70.81	0	1.841	1.946	***
Mean dependent var		2.039	SD dependent var			0.194	

R-squared	0.440	Number of obs	357
F-test	55.248	Prob > F	0.000
Akaike crit. (AIC)	-352.622	Bayesian crit. (BIC)	-329.356

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 13: ANOVA test Source: own source from STATA

4.5.9. Statistical Significance Analysis of the Regression Coefficients

The results from the regression analysis provide valuable insights into the relationship between the independent variables (SC, E, F, and S) and the dependent variable (D). The F-test statistic of 21.198 with a p-value of 0.000 suggests that the model as a whole is statistically significant. This indicates that the independent variables collectively have a meaningful impact on the dependent variable. The R-squared value of 0.194 implies that approximately 19.4% of the variation in the dependent variable is explained by the model. While this indicates that other unexamined factors may also influence the dependent variable, the model still captures a meaningful portion of the variation.

Looking at the individual coefficients, the variable SC (scalability) has a coefficient of 0.147, which is statistically significant with a p-value of 0.001. This suggests that for every one-unit increase in scalability, the dependent variable increases by 0.147 units, holding all other factors constant. The positive relationship between scalability and the dependent variable is consistent with previous research, which has shown that scalable programs have a significant impact on long-term development (e.g., Riddell & Robinson, 2005). This suggests that successful programs with scalable models can contribute positively to community development.

Similarly, the E (effectiveness) variable has a coefficient of 0.074 and is statistically significant with a p-value of 0.0001. This suggests that effectiveness also has a positive impact on the

dependent variable, meaning that when FBOs implement more effective interventions, they lead to greater developmental outcomes. This finding is aligned with the work of McEwan (2014), who found that the effectiveness of social programs strongly influences their ability to achieve long-term socio-economic improvements.

The F (financial sustainability) variable has a coefficient of 0.078 with a p-value of 0.001, indicating that financial sustainability is a crucial factor in determining the developmental impact of FBOs. This result suggests that FBOs that can secure reliable and long-term funding are more likely to have a positive influence on community development. This aligns with the findings of Smith et al. (2016), who highlighted the importance of financial stability for non-governmental organizations in achieving sustainable impacts on poverty reduction and development outcomes.

The S (services provided) variable has a coefficient of 0.046 with a p-value of 0.019, suggesting that the services provided by FBOs also positively affect the dependent variable. While the effect is smaller than the other variables, it is still statistically significant and supports the view that FBOs that provide relevant services contribute to developmental outcomes (Ager et al., 2018). This finding further underscores the importance of service delivery in driving the positive developmental impact of FBOs.

The constant term of 1.204 with a p-value of 0.00012 is highly significant, indicating that even in the absence of the independent variables, the dependent variable will be at a positive level of 1.204. This suggests that the developmental impact is not zero by default, and other unmeasured factors may also contribute to this impact. This is in line with other studies on community development, which often find that external factors, such as government policies or local community engagement, also play a role in shaping developmental outcomes (Fowler, 2000).

Finally, the Akaike Information Criterion (AIC) value of -224.419 and Bayesian Information Criterion (BIC) value of -205.030 suggest that the model is relatively well-specified, considering the trade-off between goodness of fit and model complexity (Burnham & Anderson, 2004). Given the statistical significance of the independent variables, the model provides a reliable basis for understanding the factors that contribute to the developmental impact of FBOs in Addis Ababa.

In conclusion, the regression analysis results indicate that the model is statistically significant and provides meaningful insights into the relationships between scalability, effectiveness, financial sustainability, and services provided with the developmental impact of FBOs. With strong empirical support from previous studies and robust statistical tests, it is appropriate to proceed with further regression analysis for a deeper understanding of these relationships. The results contribute to the growing body of literature on the role of FBOs in urban development and highlight the importance of these factors in achieving sustainable community development.

D	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
SC	.147	.02	7.37	.001	.107	.186	***
E	.074	.02	3.70	.0001	.035	.113	***
F	.078	.02	3.92	.001	.039	.117	***
S	.046	.02	2.36	.019	.008	.085	**
Constant	1.204	.102	11.77	.00012	1.003	1.405	***
Mean dependent var		2.039	SD dependent var		0.194		
R-squared		0.194	Number of obs		357		
F-test		21.198	Prob > F		0.000		
Akaike crit. (AIC)		-224.419	Bayesian crit. (BIC)		-205.030		

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 14: Regression Analysis Source: own source from STATA

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The research aimed to assess the role of evangelical Protestant faith-based organizations (FBOs) in Addis Ababa, particularly focusing on the services they offer, their financial sustainability, scalability challenges, and overall effectiveness in addressing socio-economic issues. The first objective was to examine the types of services provided by these FBOs. The analysis revealed that education services (mean = 4.527), vocational training (mean = 4.448), and economic empowerment initiatives (mean = 4.409) were perceived positively, indicating that these FBOs are actively involved in meeting the community's needs. However, healthcare services (mean = 2.199) received less favorable feedback, suggesting that healthcare delivery by FBOs may not be as accessible or reliable as expected. This discrepancy calls for further investigation into the factors influencing the quality of healthcare services provided by these organizations.

Financial sustainability was another key focus, with the study examining whether these organizations have reliable funding sources and can sustain their programs long-term. The regression analysis indicated that financial sustainability (with coefficients for FBO funding-related questions ranging from 0.074 to 0.078) is positively correlated with the overall developmental impact of the programs. However, the relatively low scores for questions like "The FBO can sustain its programs without external aid" (mean = 1.773) suggest that many FBOs in Addis Ababa still rely on external funding to sustain their operations. This reliance on external aid may pose risks for long-term financial sustainability, emphasizing the need for better resource management and diverse funding sources.

The third objective focused on the scalability of FBO programs. Results showed that while there was moderate optimism regarding the potential to replicate and expand these programs (with mean scores for scalability-related items ranging from 2.538 to 4.529), the challenges of scaling were evident. Specifically, the lower mean score (2.538) for "The design of the programs allows for easy adaptation in different urban contexts" suggests that scalability may be hindered by challenges related to the adaptability of programs in diverse urban environments. Moreover, the FBOs need stronger partnerships and more resources to expand their initiatives effectively. These findings are consistent with previous studies that highlight the difficulties faith-based organizations face when attempting to scale their programs in diverse settings (Smith, 2003).

Effectiveness was another critical area of evaluation, with the study measuring how well FBOs address socio-economic issues such as education, healthcare, and employment. The regression analysis revealed significant positive relationships between effectiveness and services like education ($SC = 0.147, p < 0.001$), healthcare ($E = 0.074, p < 0.001$), and economic empowerment ($F = 0.078, p < 0.001$). These results indicate that FBO interventions are perceived as effective in addressing key socio-economic challenges in the community. However, the relatively lower score for "The FBO effectively addresses key socio-economic challenges" (mean = 2.067) suggests that there may still be gaps in the reach or impact of these programs, warranting further exploration into the effectiveness of specific interventions.

The study also explored the challenges that hinder the scalability and financial sustainability of FBOs. The analysis found that many of these organizations face limitations related to resource allocation, funding diversity, and the ability to expand programs effectively. This is evident from

the challenges identified in the responses regarding financial sustainability and program scalability. For instance, a significant number of respondents reported that the FBOs struggle with diversifying their funding sources (mean = 2.059) and achieving long-term financial independence (mean = 1.773). These findings align with existing literature on the challenges faced by faith-based organizations in developing countries, where limited financial resources and external dependencies can significantly affect the sustainability and scalability of development programs (Deininger et al., 2003).

The study's results also contribute to understanding the effectiveness of FBOs in promoting social cohesion and community empowerment. With a mean score of 4.527 for "The FBO promotes social cohesion and community empowerment," it is clear that FBOs play a crucial role in strengthening community bonds and empowering individuals. This is supported by the positive correlation between social cohesion (SC) and the developmental impact (D) of these organizations. The findings reflect similar results in other studies that emphasize the role of FBOs in fostering social capital and community development (Ager et al., 2016). The positive outcomes in social cohesion are crucial for addressing urban poverty, as empowered communities are more likely to engage in collective efforts to improve their socio-economic conditions.

In conclusion, the findings of this study provide strong evidence that evangelical Protestant FBOs in Addis Ababa contribute significantly to urban development through services such as education, vocational training, and economic empowerment. However, the organizations face challenges related to financial sustainability, scalability, and the effectiveness of their healthcare interventions. While the programs are effective in addressing socio-economic issues, the results suggest that further investments in long-term sustainability and scalability strategies are necessary to maximize their impact. Despite these challenges, the positive relationships between FBO

interventions and developmental outcomes indicate that these organizations play a vital role in addressing urban poverty in Addis Ababa, providing valuable lessons for policymakers and other development stakeholders.

5.2. Recommendation

Based on the findings of this study, several recommendations can be made to improve the effectiveness, sustainability, and scalability of the services provided by evangelical Protestant faith-based organizations (FBOs) in Addis Ababa. First, to enhance the quality and accessibility of services, particularly in healthcare, FBOs should consider strengthening their healthcare programs by partnering with government and other non-governmental organizations (NGOs) that specialize in health interventions. This could help address the gap observed in the healthcare services provided by these FBOs, as the results indicated that healthcare services were less reliable compared to education and economic empowerment programs. Strengthening healthcare delivery through resource-sharing partnerships will also contribute to improving the overall well-being of the communities they serve.

Second, given the challenges identified in the area of financial sustainability, FBOs need to diversify their funding sources to reduce dependency on external aid. Developing a more robust financial strategy that includes innovative approaches to fundraising, such as social enterprises, local donor partnerships, and income-generating activities, can provide a stable revenue base. Additionally, exploring opportunities for collaboration with international development organizations and local businesses could enhance the financial resilience of these organizations. Fostering local community support through membership dues, contributions, and investments will

also help reduce the volatility of external funding streams, ensuring that the programs are more sustainable over time.

Third, addressing the scalability challenges requires a focused approach on the adaptability and flexibility of FBO programs. FBOs in Addis Ababa should invest in capacity-building for both staff and beneficiaries, ensuring that the programs can be easily adapted to other urban contexts. The study revealed that scalability is hindered by the difficulty of adapting program designs to different urban settings. Therefore, designing programs that can be scaled while maintaining their effectiveness should be prioritized. This includes standardizing best practices, documenting lessons learned, and developing a comprehensive scalability framework that can be applied to similar urban areas facing comparable socio-economic challenges.

Fourth, the effectiveness of FBO programs, particularly in the areas of education, economic empowerment, and healthcare, must be continuously monitored and evaluated. The study found that FBO programs are effective in some areas, but there are still gaps that need attention. Establishing a systematic monitoring and evaluation (M&E) system will allow FBOs to assess their interventions more effectively and make necessary adjustments to improve outcomes. By conducting regular evaluations, FBOs can identify best practices, measure their impact, and ensure that resources are being used efficiently to address the most pressing needs of the community. It is crucial that FBOs implement a feedback loop, enabling beneficiaries to participate in the evaluation process and influence program development.

Fifth, to foster social cohesion and community empowerment, FBOs should strengthen their community engagement efforts. The study showed that FBOs have a significant impact on social cohesion, but there is still room for improvement. To build stronger, more cohesive communities,

FBOs should deepen their engagement with local stakeholders, including marginalized groups, youth, and women. By prioritizing inclusive community-building activities and empowering local leaders, FBOs can enhance the social fabric of Addis Ababa. This will also support their broader developmental goals by creating more resilient and self-sustaining communities.

Lastly, FBOs should continue to expand their programs to reach a wider audience, especially in under-served urban areas. The findings of the study indicate that while FBOs have made significant strides in addressing key socio-economic challenges, the scope of their programs could be increased to tackle more systemic issues such as poverty, unemployment, and housing shortages. Expanding the reach of their interventions and integrating them into broader urban development strategies will ensure that FBOs can have a more significant impact on reducing poverty and addressing the challenges of urbanization. By leveraging their networks, FBOs can contribute to national development goals and work toward making Addis Ababa a more inclusive and sustainable city for all its residents.

In conclusion, to strengthen their long-term impact, evangelical Protestant FBOs in Addis Ababa need to focus on improving their healthcare programs, diversifying their funding sources, enhancing the scalability and adaptability of their interventions, and ensuring the continuous evaluation of their efforts. By fostering social cohesion, empowering communities, and expanding their outreach, these organizations can play a pivotal role in addressing the complex socio-economic challenges facing the city.

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Questioner

Section 1: Introduction

Dear Respondent,

You are invited to participate in a study on the contributions of evangelical Protestant FBOs in Addis Ababa. Your responses will remain confidential and will be used for academic research only. Participation is voluntary, and you may withdraw at any time.

Questionnaire for FBO Beneficiaries

(For individuals who have received services from evangelical Protestant FBOs, such as education, healthcare, vocational training, or financial support.)

Section 2: Demographic Information

(Please tick [✓] the appropriate box)

1. Age Group:

☐ 18–25

☐ 26–35

☐ 36–45

☐ 46–55

☐ 56+

2. Gender:

☐ Male

☐ Female

3. Education Level:

☐ Primary

☐ Secondary

☐ Diploma

☐ Bachelor's

☐ Master's+

6. How long have you been part of an FBO program?

☐ Less than 1 year

☐ 1–3 years

☐ 4–6 years

☐ 7+ years

7. Which FBO program have you participated in?

☐ Education

☐ Healthcare

☐ Vocational Training

☐ Economic Empowerment

(Please indicate your level of agreement with the following statements using the Likert scale below.)

Section 2: Services Provided by FBOs

Scale:

1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree

This section assesses the extent and variety of services offered by the FBO.

Section A: Services Provided						
		1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree
1	The FBO provides accessible education services to the community.					
2	The FBO offers reliable healthcare services to local residents.					
3	The vocational training programs offered by the FBO are relevant to community needs.					

4	The FBO engages in activities that economically empower individuals (e.g., entrepreneurship support, job creation).					
5	The services provided by the FBO respond effectively to the pressing needs of the urban poor.					

Section B: Financial Sustainability

This section measures the financial strength and sustainability of the FBO.

	Section B: Financial Sustainability					
		1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree
1	The FBO has diverse and reliable sources of funding.					
2	The FBO manages its financial resources efficiently.					
3	The FBO can sustain its programs without external aid.					
4	The FBO has a clear financial strategy for long-term sustainability.					
5	The FBO regularly evaluates its budget and spending priorities.					

Section C: Effectiveness

This section evaluates the perceived impact and success of FBO interventions

	Section C: Effectiveness					
		1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree

1	The FBO effectively addresses key socio-economic challenges in the community.					
2	The beneficiaries of FBO programs show visible improvement in quality of life.					
3	The FBO's interventions are culturally and contextually appropriate.					
4	Stakeholders (community members, partners) perceive the programs as effective.					
5	The FBO routinely monitors and evaluates the outcomes of its programs					

Section D: Scalability

This section explores the potential for expansion or replication of successful FBO programs.

	Section D: Scalability					
		1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree
1	The FBO has developed models that can be replicated in other areas.					
2	The current programs could be expanded to reach more beneficiaries.					
3	The FBO has adequate resources and partnerships to scale its initiatives.					
4	The design of the programs allows for easy adaptation in different urban contexts.					
5	Scaling the FBO's programs would result in similar developmental benefits elsewhere.					

Section E: Developmental Impact (Dependent Variable)

This section measures the broader impact of FBO efforts on urban development.

	Section E: Developmental Impact (Dependent Variable)					
		1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree
1	The FBO contributes to long-term community development.					
2	The FBO's interventions have reduced poverty in the target community.					
3	The community has experienced socio-economic improvements due to the FBO's work.					
4	The FBO promotes social cohesion and community empowerment.					
5	The impact of the FBO's programs is sustainable over time.					