human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

RAPID APPRAISAL OF OUTCOME 8: OUTPUT 1

Summary Report

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National Department of Human Settlements

Rapid Appraisal of Outcome 8: Output 1
1-5-25 Summary Report

29 October 2014

Contents

Policy Summary

The purpose of the rapid appraisal was to provide an expedient assessment to strengthen implementation and improve performance in relation to Outcome 8: Output 1 and its future iterations. The appraisal found that nationally reported datasets for the sub-outputs that made up the delivery agreements were not credible due to data management issues, poor indicator definitions and an expansion of those definitions towards the end of the 2010-2014 implementation period.

Despite shortcomings of the national datasets, the rapid appraisal identified a range of challenges that hampered policy implementation including: variable intergovernmental understandings and interpretations of Outcome 8; a provincial planning template that did not reflect the Delivery Agreements well; limited shifts in provincial programmes expected to drive realisation of the policy; changes to the monitoring processes and protocols with material implications for reported results; and a lack of resources (human and material) and institutional capacity to effectively drive all of the supporting programmes.

The accountability arrangements established for Outcome 8: Output 1 provided for regular, focused and relatively concise strategic monitoring and reporting to political leadership, which in turn, kept pressure to achieve the targets. This pressure cascaded through intergovernmental structures. Although Outcome 8: Output 1 has not resulted in the extent of institutional reform and change management intended, it was accompanied by political will and oversight around a core set of indicators which has better focused implementation, albeit unevenly. The appraisal has raised questions about the way in which housing programmes are prioritised and applied in relation to the policy. It also highlighted the crucial role of involving local government more meaningfully in the setting of targets in the future. Better definitions, understandings and buy-in are needed across the three spheres of government from the outset.

Recommendations

The following summary recommendations target the National Department of Human Settlements and to a lesser extent the Department of Planning, Monitoring & Evaluation:

- Communicate and establish better intergovernmental buy-in and understanding for Outcome 8 and the implications of the policy. Across national, provincial and local government make the available support, including guidelines, definitions and reporting formats more widely known.

- Improve human, financial and technological resourcing for the programmes and reporting necessary to realise the policy intentions, and to ensure that the various sub-output targets can be achieved and credibly accounted for.

- Uphold commitments to devolution of the housing function for qualifying municipalities and improve institutional capacity across the three spheres of government to be able to exercise roles and responsibilities in line with the distribution of powers and functions.

Executive Summary

Introduction

The National Department of Human Settlements contracted PDG to provide an expedient assessment of progress in relation to *Outcome 8: Sustainable human settlements with an improved quality of household life, Output 1- Accelerated housing delivery of housing opportunities*, comprising four sub-outputs for the period 2010/11-2013/14. This summary report presents the results of the rapid appraisal as they address the seven research questions before arriving at conclusions and recommendations.

An overview of Outcome 8: Output 1

Government adopted the National Outcomes Approach in 2010 as part of a broader shift towards a results-based approach. Within the Outcomes Approach there are 12 National Outcomes, with the focus of this exercise on *Outcome 8: Output1,* which identifies four sub-outputs and associated targets subject to appraisal:

- *Sub-Output 1.1: Upgrade 400 000 Households in well located Informal Settlements with access to basic services and secure tenure*

- *Sub-Output 1.2: National Upgrading Support Programme (NUSP)*- 49 municipalities were targeted to address as many informal settlements as possible – possibly up to 60 to 65% of all informal settlements (Presidency, 2010b: 18).

- *Sub-Output 1.3: Affordable rental accommodation-* The following reflects the targets for affordable rental accommodation

Table 1: Targets per rental housing programme

Programmes/Interventions	Target
Community Residential Unit Programme	24 312 units
Social Housing Programme	20 000 units
Institutional Housing Subsidy Programme	8 487 units
Private Sector Rental Housing (including small and large corporate sector landlords)	26 600 units

- *Sub-Output 1.4: Accreditation-* Originally 18 municipalities were identified for accreditation, including eight Metropolitan municipalities, five Local municipalities, and five District municipalities. An additional 9 municipalities were identified by Lekgotla for inclusion, bringing the total target for accreditation to 27 (Presidency, 2010b: 26).

Findings and Analysis

How has Outcome 8 been interpreted at various levels of government?

Outcome 8: Output 1 has been interpreted differently by National, Provincial and Local Government with varying

degrees of buy-in and different emphases. At the metro level the main emphasis has been the devolution of the housing function to metropolitan municipalities where upgrading targets were interpreted as reinforcing a concomitant intention to incrementally accredit municipalities. However, the accompanying reporting framework was perceived by metros to be externally imposed. This interpretation resonated at the provincial level. Provincially, Outcome 8 was generally understood as a policy framework for coordinating and aligning priorities. It was seen as an exercise in reporting, rather than a means of effecting the intended changes in programme design, approach and coordination. As such, the provincial interpretation gave rise to few tangible changes in approach, except for the purpose of complying with the reporting and accountability arrangements, as expected through the Delivery Agreements and the provincial MECs. The introduction of this set of accountability arrangements was important from an intergovernmental perspective, but there was limited evidence of a common interpretation across the three spheres in line with the policy intention.

Are the delivery agreements being implemented according to their design?

An initial lag in the uptake of Outcome 8 and the implementation of the delivery agreements was related to the issues of intergovernmental understanding and some resistance to the targets and expectations placed upon sub-national spheres of government. Judging the overall implementation of the delivery agreements against design would indicate some clear successes in terms of the structures, activities, and reporting against a set of targets. However, beyond that, the delivery agreements have deviated from their designed intention in that they have not prompted the kind of institutional shifts that were intended in terms of results-based management, or in terms of the ways the current housing programmes were intended to be coordinated to realise the targets. These shifts were meant to accompany the devolution of the housing function to metros.

How are the performance targets that contribute to Outcome 8 targets reflected in the approved business plans?

The Provincial Business Plans poorly reflect the performance targets that contribute to Outcome 8: Output 1. The formulation of the performance indicators is inconsistent with targets set in the delivery agreements in some respects; indicator definitions and details explaining how the indicators are calculated are missing; and there is no indication of historical performance in the business plans. The absence of any reference or expression of the accreditation and NUSP sub-outputs divorces their inter-relation from the other targets and fragments the policy intent.

In what way are the housing programmes utilised to contribute to Output 1 targets?

The various housing sub-programmes could not be meaningfully disaggregated in relation to the Output 1 targets. Nevertheless, the spread of housing units planned and reported nationally, when compared with other performance information and commissioned reports, provided a strong indication that two programmes were used to contribute to the majority of the target of 400,000 households upgraded in informal settlements. The UISP was used for upgrading, and the IRDP in instances of greenfield developments,
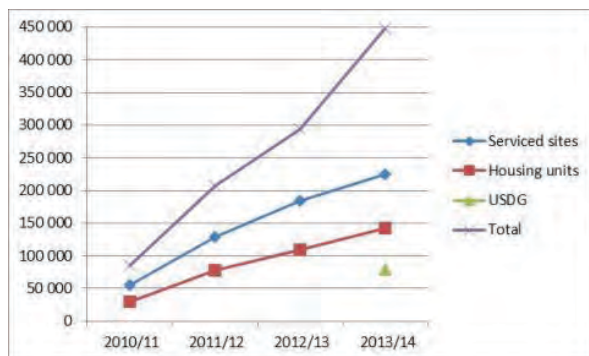
Graph 1: Households in informal settlements upgraded

However, other programmes such as the People's Housing Process also identified as contributed, albeit not at the scale of the IRDP and UISP. The Rural Housing and Communal Rights Programme was identified as

a likely contributor, despite original intentions that this not be considered in relation to informal settlement upgrading.

In the case of Social and Rental Housing sub-programmes, the following graph illustrates each sub-programme's respective contribution to the total.
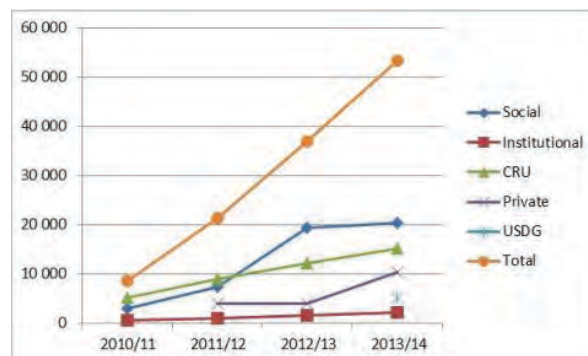
Graph 2: Cumulative Social and Rental Housing delivery by sub-programme

Social housing was the biggest contributor to the target, although the delivery of units was particularly lumpy and slowed over the last year. CRU was fairly consistent over the period with slightly lesser output, while Institutional Housing also proved consistent, albeit with a particularly low output overall.

The HSDG was by far the largest financial contributor to target delivery, followed by the USDG which could claim financial responsibility for just less than a fifth of delivery in total. MIG was identified as an important bulk

infrastructure contributor but with little direct financing of household services. Municipal own-funding was blended with the USDG in metros and the impact of RHIP was considered marginal with the exception of some anecdotal evidence.

What are the monitoring processes of the targets that have been put in place in the province and the metropolitan municipalities?

Monitoring processes proved to be one of the biggest challenges associated with Outcome 8: Output 1 implementation. Failure to establish a shared understanding at the outset, with limited buy-in and no defined indicator protocols led to a proliferation of different interpretations. The national dataset was regularly revised and adjusted and was not subject to rigorous data audit or verification. This led to reported figures that are significantly greater than those reported by provinces. Significant over-reporting appears to have occurred, although the exact extent of which could not be determined.

Reporting challenges were attempted to be rectified through revised templates and improved definitions, although these occurred relatively late in the period under review. A series of assessments and reports related to the relevant programmes and financial instruments were commissioned as another means of identifying monitoring and reporting problems.

What is hindering or enabling the achievement of Output 1 set targets?

Secondary data suggests the figures reported by the National Department of Human Settlements in relation to the Output 1 targets are unlikely to have been realised. A complex set of challenges unique to each of the respective sub-outputs is hindering the achievement of the Output 1 targets. However, these can be generally distilled to: a lack of a common understanding and embrace of the policy intention; issues of funding and resource allocations; a lack of political will with regard to devolution of the housing function; and insufficient coordination as well as need for policy reform within the rental housing context.

However, the establishment of the Delivery Agreements, and the associated accountability arrangements, along with the frequency and standardising of reporting through political and technocratic sectoral fora, are all enabling factors supporting the realisation of the Output 1 targets.

What are the mechanisms put in place to speed up the delivery of the targets?

There have been few tangible mechanisms put in place to speed up the delivery of the targets, despite clear political pressure. The most evidence for acceleration of delivery is linked to expanding the definition of the in-

dicator to include a wider set of human settlements programmes and initiatives late in the term. This equates to a widening of the goals posts to consider work from programmes that were originally considered to be outside the scope of this policy so as to reflect better performance.

Conclusion

The rapid appraisal has provided evidence that there were initially different interpretations and understandings of Outcome 8: Output 1, in part the result of a less than ideal process of introducing the policy. Despite this, the accountability arrangements it established were helpful in terms of providing regular, focused and relatively concise strategic monitoring and reporting to political leadership, which in turn, kept pressure to achieve the targets. However, an unintended consequence of the pressure to achieve targets was to compound definitional and understanding challenges that led to the reporting of data that is not credible.

Outcome 8: Output 1 has not resulted in the institutional reform and change management the policy espoused. There were few tangible intergovernmental mechanisms for advancing the intended approach via the delivery agreements, but the agreements did introduce a political will and interest around a core set of indicators. The appraisal has raised questions about the way in which housing programmes are prioritised and applied in relation to the policy. It has also highlighted the crucial role of more meaningfully involving local government in the future. Better definitions, understandings and buy-in are needed across the three spheres of government from the outset.

Recommendations

The following summary recommendations target mainly the National Department of Human Settlements and to a lesser extent the Department of Planning, Monitoring & Evaluation for its coordinating role in relation to the Outcomes Approach:

- Communicate and establish better intergovernmental buy-in and understanding for Outcome 8 and the implications of the policy. Across national, provincial and local government make the available support, including guidelines, definitions and reporting formats more widely known.
- Improve human, financial and technological resourcing for the programmes and reporting necessary to realise the policy intentions, and to ensure that the various sub-output targets can be achieved and credibly accounted for.
- Uphold commitments to devolution of the housing function for qualifying municipalities and improve institutional capacity across the three spheres of government to be able to exercise roles and responsibilities in line with the distribution of powers and functions.

Summary Report

1.   Introduction

This is the summary report for the Rapid appraisal of Outcome 8: Output 1 for the National Department of Human Settlements (DHS). The appraisal was designed to provide an expedient assessment of progress in relation to *Output 1- Accelerated housing delivery of housing opportunities*, comprising four sub-outputs over the period 2010/11-2013/14.

The summary briefly explains the variety of programmes and funding sources which contribute to the realisation of Outcome 8: Output 1. This is followed by an introduction to the National Outcomes Approach and Outcome 8 in particular.

The design and methodology sets up how data was collected and used to address the seven overarching research questions to which the findings and analysis are structured. Thereafter a conclusion is made, followed by a set of recommendations.

1.1 The research questions

The following seven overarching research questions were set out in the Terms of Reference and guide the structure of the analysis and findings section.

1.1 How has Outcome 8 been interpreted at various levels of government (national, provincial and municipal levels)?

1.2. Are the delivery agreements being implemented according to their design?

1.3. How are the performance targets that contribute to Outcome 8 targets reflected in the approved business plans (2010-2013 financial years)?

1.4. In what way are the various housing programmes and funding sources utilised to contribute to Output 1 targets?

1.5. What are the monitoring processes of the targets that have been put in place in the province and the metropolitan municipalities?

1.6. What is hindering or enabling the achievement of Output 1 set targets as it relates to the four sub-outputs?

1.7. What are the mechanisms put in place to speed up the delivery of the targets?[1]

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[1] *The seven research questions omit the sub-questions for the sake of brevity. However, these findings are addressed in the findings.*

2.   Background and Literature Review

2.1.1   Current programmes and instruments driving the human settlements agenda

There is a wide range of government programmes and associated funding and legal instruments that drive the human settlements agenda. This section focuses on those programmes and instruments that support Output 1 of Outcome 8.

Upgrading informal settlements through the national housing programme

Census 2011 (StasSA, 2013) indicates there are 1 249 777 households living in informal settlements (excluding backyard shacks). Approximately 58% of these (724 519 households) are located in the eight metropolitan municipalities. Informal settlements have historically been seen as a housing problem; a symptom of the shortage of adequate low-income housing (Huchzermeyer, 2001; Marx, 2003). The National Housing Subsidy Scheme was the mechanism through which the state could provide the mass roll-out of serviced sites with freehold tenure and a basic top structure to house those in informal settlements (Lalloo, 1999). Thus the initial housing programme post-1994 did not focus specifically on the upgrading of informal settlements, but rather replacing them. However, the shift in the policy through 'Breaking New Ground' in 2004 represented

the first post-apartheid housing programme specifically aimed at upgrading informal settlements.

There are currently a wide range of government programmes, associated funding and legal instruments that drive the human settlements agenda which directly or indirectly contribute to addressing informal settlements. These include but are not limited to:

- The **Upgrading of Informal Settlements Programme** (UISP) focusing on providing secure tenure, access to basic services, social and economic amenities and options for housing development to people residing in informal settlements.

- The **Emergency Housing Programme (EHP),** which provides temporary housing in the event of natural or man-made disasters or in cases where in situ upgrading of informal settlements requires the temporary relocation of households while services are installed or formal top structures erected.

- The **Integrated Residential Development Programme** (IRDP) supports the development of integrated settlements which include a variety of land uses, housing typologies, and income levels.

- The **Enhanced People's Housing Process (EPHP)** is designed to increase beneficiaries' active participation in the provision of their own hous-

ing. Similar to the UISP programme, beneficiaries are not drawn from housing registers/waiting lists but are self-selected. Beneficiaries work with a housing support organisation to enable the beneficiaries to produce their own housing solutions.

- There are three **Rural Housing Programmes** described in the Housing Code aimed at addressing the issue of tenure rights in areas of communal tenure in order for housing subsidies to be applied in these areas.

The provision of services to informal settlements through the national housing programmes is tied to the **Human Settlements Development Grant** and its associated conditions. However, there are a number of other mechanisms through which basic service may be provided to informal settlements. These include:

- Municipal own-funding for interim or emergency services

- The **Municipal Infrastructure Grant** (MIG)

- The **Urban Settlements Development Grant** (USDG) in metropolitan municipalities

- The **Rural Households Infrastructure Grant**

Provision of rental accommodation

Providing rental accommodation is an important part of government's human settlements policy. Three national housing programmes are designed to work together to support the implementation of the National Rental Housing Strategy (2008) as described in the National Housing Code (DHS, 2009) and they are:

The **Institutional Subsidy Programme** is intended to provide affordable rental housing to those who prefer rental to ownership (e.g. prefer to be mobile) and/or do not qualify for the housing subsidy.

The **Community Residential Units (CRU) Programme** targets low income persons and households earning below R3500 who are not able to be accommodated through the social housing or other national housing programmes.

- The **Social Housing Programme** was designed to provide a new capital grant to support approved social housing projects in designated well-located urban zones identified for restructuring, through providing security of tenure and affordable rental units to poor households who prefer mobility over ownership and/or do not qualify for the housing subsidy.

National Upgrading Support Programme

The National Upgrading Support Programme (NUSP) was intended to provide a capacity building programme for practitioners and officials. This includes technical assistance to municipalities to help establish their informal settlement upgrading programmes and package projects (Topham, 2011).

Accreditation and assignment of the housing function

The accreditation of municipalities to undertake the housing function was first introduced in the Housing Act (RSA, 1997). The strategy of accreditation was further defined and described in the 'Breaking New Ground' Policy (DHS, 2004) and is captured in Part 3, Vol. 3 of the National Housing Code (DHS, 2009). Metropolitan municipalities and secondary cities that have the capacity to plan, implement and maintain projects and programmes are intended to be credited at various levels to undertake certain functions on behalf of provincial government.

2.2 Outcome 8- Sustainable human settlements with an improved quality of household life

Within the National Outcomes Approach there are 12 National Outcomes, with the focus of this exercise on *Outcome 8- Sustainable human settlements with an improved quality of household life*. The approach identifies four outputs (also divided into other sub-outputs discussed later) which are related, and advanced by a set of activities in order to realise the desired outcome. However, this appraisal only focuses on Output 1.

Output 1: Accelerate delivery of housing opportunities

At the time of drafting the Outcomes Approach there were approximately 2 700 informal settlements in South Africa representing a threat not only to the well-being and quality of life of household residents, but to the constitutionally enshrined right to decent housing. The Presidency (2010b:2) states that, "the key challenge is providing these households with adequate basic services and an improved shelter. Progress with this output will be measured by achieving the target of 400 000 households by 2014, the securing of some form of land tenure for these families so they have a real asset and access to universal services".

In order to make sure basic service provision reaches informal settlements, there was a need to make sure that those engaging with informal settlements directly, namely municipalities, be capacitated to develop and implement projects that incrementally upgrade informal settlements through improved shelter, re-blocking, ac-

cess to services, security of tenure, and other means. The NUSP and the accreditation of municipalities to devolve the housing function are integral to building a capable, developmental local government able to tackle this challenge.

One alternative to upgrading is the "provision of well-located and affordably priced rental accommodation" (The Presidency, 2010b:2). The absence of market rentals for households earning under R3500 per month is one of the contributing factors to the growth of informal settlements and providing affordable rental accommodation for this market segment is therefore vital.

Each of these elements is addressed via the four sub-outputs and their associated targets:

Sub-Output 1.1: Upgrade 400 000 Households in well located Informal Settlements with access to basic services and secure tenure

Sub-Output 1.2: National Upgrading Support Programme (NUSP)- 49 municipalities were targeted to address as many informal settlements as possible – possibly up to 60 to 65% of all informal settlements (Presidency, 2010b: 18).

Sub-Output 1.3: Affordable rental accommodation- The following reflects the targets for affordable rental accommodation

Table 1: Targets per rental housing programme

Programmes/Interventions	Target
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Sub-Output 1.4: Accreditation- Originally 18 municipalities were identified for accreditation, including eight Metropolitan municipalities, five Local municipalities, and five District municipalities. An additional 9 municipalities were identified by Lekgotla for inclusion, bringing the total target for accreditation to 27 (Presidency, 2010b: 26).

3.   Methodology

3.1   Data collection and tools

Data collection for the rapid appraisal fell into two phases, that of national stakeholder engagements and review as well as provincial and metro level engagements.

All tools were structured and ordered in relation to the overarching research questions rather than a comprising set of criteria. Each research question was developed into a set of comprising sub-questions and

potential data sources for the purpose of triangulation and cross verification.

3.2 National stakeholder engagements and secondary data

The first phase of primary data collection involved high-level interviews at national level as to how Outcome 8 has been interpreted and implemented across the various spheres. A target of 10 interviews was set across a range of Outcome 8 areas of relevance including:

• Outcome 8 conception and design

• NUSP & UISP

• RHIP (Water & Sanitation)

• MIG

• Output 1 monitoring (incl. USDG)

• IRDP, Emergency Housing Programme and Rural Housing, Communal Rights

• People's Housing Process

• Social and Rental Housing Programmes

• HS Business Plans

Of the above areas of relevance, all were covered with the exception of RHIP as the key respondent proposed was not available. 11 individuals were interviewed across three departments as part of this phase. In the course of these interviews the following documentation and data central to the rapid appraisal was obtained:

• Outcome 8 Delivery Agreement Annexure

• Programme of Action Summary Report

• Programme of Action National Reporting Template

• Outcome 8 National Delivery datasets

• Provincial Business Plans for 2013/14

• Minutes of meetings and definition guidelines for Outcome 8

3.3 Provincial and metro engagements

Semi-structured interviews

Telephonic interviews were conducted with key stakeholders in all nine provinces[2]. Stakeholders were selected based on a snowball sampling approach whereby contacts provided by the national department formed the basis of requests to interview in relation to Outcome

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[2] *With the exception of Mpumalanga where a telephonic interview could not be obtained but a written submission in relation to a set or interview questions was provided.*

8: Output 1. A target of 27 provincial respondents was set while 27 provincial respondents participated in interviews, although these were not evenly distributed across provinces as some provinces only identified one individual for interview, as was the case for Free State and Mpumalanga.

Metro level interviews were identified for the City of Johannesburg and eThekwini with a target of two interviews per metro, or four in total. In the end, six respondents were included in metro level interviews, not including those who participated in the structured observations.

Site visits and structured observations

Site visits and structured observations were held in Johannesburg and eThekwini metropolitan municipalities as well as the Gauteng and KwaZulu-Natal provincial departments. These engagements documented the monitoring processes followed by provincial departments, metros and sought to surface any challenges related to monitoring and reporting in relation to the delivery agreements.

A structured observation tool for provincial and metro engagements was employed and used to capture and order observations from the site visits.

3.4   Analysis approach

The analysis approach began with a thorough review and study of the secondary data supplied by the department in light of the literature review that had preceded it. Thereafter analysis of the primary data occurred in two phases for national and sub-national respondents.

At the sub-national level, this entailed the utilisation of interview notes and structured observations cross referenced with audio recordings of interviews for the identification of key quotations and points of salience in relation to each of the four sub-outputs of Outcome 8: Output 1 and the 2013/14 provincial business plans for the provinces separately. This information was then synthesised and presented in relation to each of the provinces as an annexure.

The second phase of the data analysis entailed the thematic review of all of the interview notes and audio in relation to the overarching research questions. These quotations were then organised into the thematic areas before being presented through the findings and analysis section in conjunction with existing secondary data and mainly descriptive analysis of available datasets, as well as cross-comparison.

3.5   Expert panel

On the 29 of August 2014 an Expert Panel of four human settlements subject area experts was convened to provide analytical comment on the draft findings and to provide expert subject area input into the formulation of conclusions and recommendations emerging from the report. In a facilitated session, these experts gave comment on the draft report which resulted in subsequent improvements and refinements, particularly around the conclusions and recommendations.

3.6   Ethical protocols and arrangements

In all instances interviewed respondents were made aware of the nature and purpose of the research and were given the option to participate, with the right to excuse themselves from the research at any time explained by the researchers. All participants knowingly and willingly participated with the possibility of direct quotations attributed to them. Despite this, in an effort to anonymize respondents they were assigned numbers consistent with their level and perspective (e.g. National=15; Sub-national=33). At the national level, individuals were coded 1-15 to facilitate anonymity, and in specific instances multiple numbers were allocated to individuals to reduce the risk of reasonable attribution. Metro respondents were included as sub-national respondents so as to anonymize their responses since

a separate group of 6 was viewed as potentially revealing.

3.7   Limitations of rapid appraisal

It should be noted that the nature of a rapid appraisal means that there are intrinsic limitations associated with the approach. Specifically, reliability and validity of secondary data provided is beyond the control of the researchers and is dependent upon the issuing organisation. Further, because of the dependence on secondary data and predominance of qualitative methods for obtaining new data, findings rely heavily on subjective perceptions of the intervention. Thus, a rapid appraisal is not appropriate as a sole summative assessment or expedient impact evaluation of a given intervention (USAID, 2010: 1) and should not be construed as such. Considering the evaluation of the National Outcome Approach currently being undertaken by DPME, this appraisal should not be considered as an equal or an alternative to the more robust and systematic assessment under way.

4. Findings and Analysis by research question

The following presents findings and analysis per research question posed at the outset of the rapid appraisal.

4.1 How has Outcome 8 been interpreted at various levels of government (national, provincial and municipal levels)?

Municipal level

At the municipal level Outcome 8 has been interpreted as a policy initiative driven from the Presidency to move government towards a results-based approach to management in the human settlements sector, with concurrent and mutually reinforcing results, whereby both Outcome 8 and Outcome 9 are interrelated. Linked to this understanding is the intended devolution of the housing function through gradual accreditation, with the building of institutional capacity (e.g. NUSP) in order to effectively administer the function at municipal level.

Provincial understanding

At the provincial level Outcome 8 is generally understood as a nationally determined set of human settlements results and outputs targets to which all spheres of government should align their initiatives, programmes and plans of action for the term (2010-2014). It is not seen so much as a new approach to the existing programmes, as it is a strategic framework for harmonising a national human settlements agenda and that focusses on the results of those programmes through a broader intervention logic for the sector.

However, the extent to which it is useful and to which provinces buy into the approach varies. Some provinces have found it helpful in terms of being able to align their provincial priorities, whereas other provinces interpreted it as something imposed by national government.

National understanding

Although Outcome 8's origins rest with national government, in the Executive, the national understanding of Outcome 8: Output 1 has proven to be particularly self-reflective, in part because of its genesis there. The following explains the origin and thinking behind the Outcomes Approach in general:

"It emerged late 2009, and there are a set of outcomes that needed to be attributed to actions or inactions of the state and often enough these were programme related and there was an intended relationship between them. The thinking was that if these were formulated in a closer set of relationships and priorities, government could determine better the set of outcomes we wanted

and produce the general shifts in the way our society functions" (National Respondent 3).

This understanding extended to the introduction of a set of accountability arrangements in the form of Delivery Agreements between the National Minister and MECs for human settlements to ensure commitment and delivery to the national agenda. This was also intended to extend down to local government level to agreements by Mayors in relation to Outcome 9.

However, data from respondents in the National Department of Human Settlements has indicated that within the department there was a reluctance to fully embrace what Outcome 8: Output 1 entailed. As a result, there was not the kind of buy-in necessary to drive the kind of institutional reform that was embedded in the priorities and sub-outputs of Outcome 8: Output 1. Thus, Outcome 8 was generally understood as a policy framework for coordinating and aligning priorities as an exercise in relation to reporting, rather than imparting the kind of change in terms of programme design, approach and coordination that it sought to achieve.

4.2 Are the delivery agreements being implemented according to their design?

The issues of intergovernmental understanding and some resistance to the targets and expectations placed upon them contributed to an initial lag in the uptake of Outcome 8 and the implementation of the delivery agreements. This delay was a contributing to factor to issues of delivery.

Judging the overall implementation of the delivery agreements against design would indicate some clear successes in terms of the structures, activities, and reporting against a set of targets. However, there has clearly not been the extent of substantive implementation that was envisioned, nor has there been the level of building of institutional capacity in line with the targets that was envisioned. Reporting has occurred for compliance purposes and the information has been fed through the required forums, to which the political leadership have acknowledged and discussed the delivery figures as expected. However, beyond that, the delivery agreements have deviated from their designed intention in that they have not prompted the kind of institutional shifts that were intended in terms of results-based management, or in terms of the ways the current housing programmes were intended to be used to realise the target while devolution of the housing function to metros occurred.

4.3 How are the performance targets that contribute to Outcome 8 targets reflected in the approved business plans?

The Provincial Business Plans could be considered substantially lacking when it comes to reflecting the performance targets that contribute to Outcome 8: Output 1. In particular, there are three specific issues for those performance targets noted in the current business plans:

- Formulation of the performance indicators is inconsistent with targets set in the delivery agreements in some respects

- Indicator definitions and details explaining how the indicators are calculated are missing

- There is no indication of historical performance in the business plans

Further, in some instances the targets set for other sub-outputs do not find any expression in the Provincial Business plans. The absence of any reference or expression of these sub-outputs divorces their inter-relation from the other targets. As such, Outcome 8 targets could be better reflected in the approved business plans.

4.4 In what way are the various housing programmes utilised to contribute to Output 1 targets?

The following graphs presents the total national aggregate of households in informal settlements upgraded with access to basic services and secure tenure, according to NDHS data.
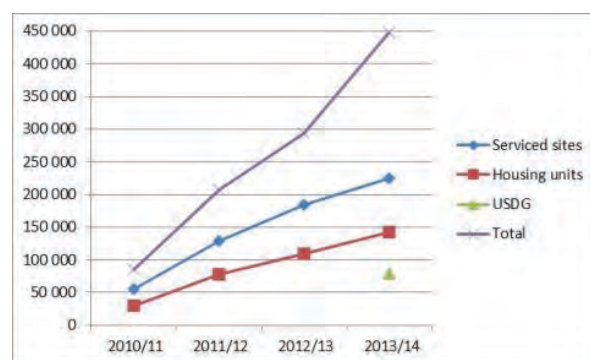
Graph 1: Households in informal settlements upgraded from 2010/11-2013/14 (NDHS, 2014a)

Although the above graph is not presented by sub-programme, it is clear from the three contributing data elements (e.g. serviced sites; housing units; units and USDG) that informal settlement upgrade reporting figures clearly extend beyond in-situ upgrading because it also includes the delivery of housing units. The above graph indicates that a total of 447,780 households were upgraded in informal settlements, with 225,401 of those attributed to serviced sites, 142,872 attributed to hous-

ing units and another 79,507 attributed to non-descript USDG delivery (ostensibly serviced sites or connections). Contribution of housing units represents nearly a third of all delivery and it becomes clear that housing sub-programmes beyond the scope of UISP must be involved.

The following graph presents overall delivery against target, disaggregated by province.
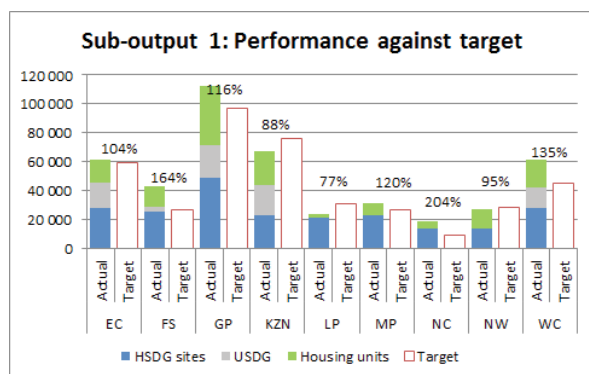
Graph 2: Households in informal settlements upgraded against target by province (NDHS, 2014a)

From the above, it is clear that the majority of provinces were reported to be within 5% of their cumulative target or significantly exceeded it, with KwaZulu-Natal (88%) and Limpopo (77%) significantly underperforming based on NDHS reported figures. Also apparent from the above is the extent to which the USDG would appear to be a significant contributor in terms of reporting figures from provinces with metropolitan municipalities, and especially in instances like KwaZulu-Natal and the Western Cape where one metro accounted for a significant proportion of total provincial delivery.

The following graph presents a proportional allocation of funding per province for the year 2013/14 across each of the 6 sub-programmes that occur under Incremental Housing Programmes (Programme 2) and Rural Housing Programme (Programme 4) in the Provincial Business Plans. Although this is only a proportional allocation for planning during one year of the term, it is the last year and conveys an indication of the proportional funding allocated at the conclusion of the term. Considered with the qualitative data and in light of provincial accounts, this provides an indication of how the various sub-programmes contribute to Output 1 targets.[3]

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[3] *Recognising that associated unit costs vary across these programmes one cannot equate a proportional funding allocation to intended unit delivery but this provides a useful set of data for triangulating the prioritisation of sub-programmes in relation to delivery.*
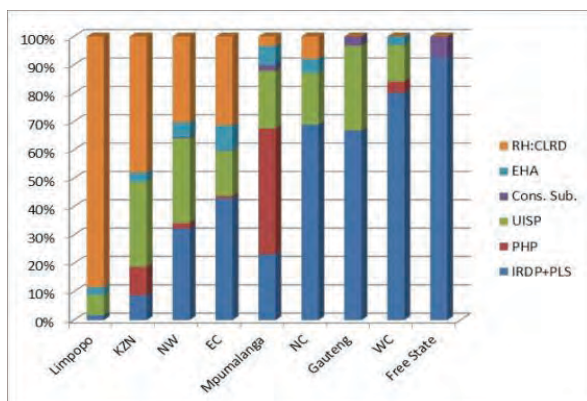
Graph 3: Proportional allocation of funding across provinces in Provincial Business Plan 2013/14 for six sub-programmes

The above graph informs the findings and analysis which follow for each of the programmes. Although it would have been ideal to produce a reliable figure of the performance measure per sub-programme, due to shortcomings in the secondary datasets and monitoring reports provided, this was not possible. The output reporting does not allow for a disaggregated total by sub-programme at this time. However, the planned allocation (above), triangulated against secondary data from the *Expenditure and Performance Review* undertaken by National Treasury (RMS, 2013), with the qualitative data provides a strong indication of how each of these sub-programmes contributes to Outcome 8: Output 1 targets. The following sub-sections explain per sub-programme.

4.4.1   Upgrading of Informal Settlements Programme (UISP)[4]

Although the UISP was expected to be the vehicle through which the target of upgrading 400,000 households in well-located informal settlements with access to basic services and secure tenure was achieved, the evidence suggests that this programme has not been the focal point of human settlements intervention over the past term as would have been expected. Expenditure allocations and related research indicate that UISP has been receiving approximately a quarter of funds in the last year. Provinces conceded that the UISP has not been applied as easily as was intended.

4.4.2   Integrated Residential Development Programme (IRDP)

The IRDP proved to be the most versatile of all the housing programmes across provinces, especially considering the multiple phase elements delivering both sites and top structures. The familiarity of IRDP as a historical programme and the kinds of financial allocations across each of the phases and performance targets, would suggest this was the other significant contributor, with the UISP, to the target of upgrading 400,000 households in informal settlements, where

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[4] *UISP is equated with Informal Settlement Upgrading (ISU) as it appears in the Provincial Business Plans and other reports.*

they can be considered roughly equivalent in terms of their respective contributions. However, again, a firm indication as to what this programme's contribution could not be made.

4.4.3 People's Housing Process

The People's Housing Process (PHP) was not generally considered a programme for delivering at scale because of the community engagement element and the manner in which people are involved in building their own shelters. However, there has been some integration between PHP and IRDP to an extent and this has also produced some results in relation to the performance target in terms of serviced sites as well as top structures.

4.4.4 Emergency Housing Programme

The Emergency Housing Programme is not a housing programme that was intended to be a contributor to the realisation of the target. In most instances, provinces claimed that it wasn't being used for it but scrutiny of provincial reporting in relation to Outcome 8: Output 1 does indicate that in isolated instances the programme is a contributor. Accounts by different provinces though indicated that it was mostly used as a situational solution when people need to be evacuated due to disasters or in some isolated instances, for the purpose of temporary relocation.

4.4.5 Rural Housing: Communal Land Rights

Rural Housing: Communal Land Rights is a sub-programme more prevalent in those rural predominantly provinces. While it is unclear the exact extent to which the programme has contributed towards delivery for Output 1, it is clear that this was not really in the spirit of the indicator target for Output 1 because informal settlements are not being upgraded: it is more a case of top structures being delivered on communal land.

Rural delivery was noted by multiple respondents as "easier" when compared to upgrading informal settlements and said to have occurred at scale because there are lesser basic service infrastructure requirements (e.g. VIP toilets, etc) and the land is communally owned, thereby making it an attractive programme in terms of delivering housing units at scale.

However, the manner in which this programme is included as part of the total national reporting appears to be when the national department interprets some proportion of provincial delivery figures in relation to the informal settlement upgrading performance target, and this does not appear to be done by provinces themselves.

4.4.6 Social and Rental Housing Programmes

In the case of Social and Rental Housing the sub-programmes, combined with private rental housing, were

expected to collectively deliver 80 000 units. Fortunately, monitoring and reporting processes allow these sub-programmes to be easily disaggregated in relation to the overall target. The following graph illustrates this, by showing each sub-programme's respective contribution, as well as the total contribution.
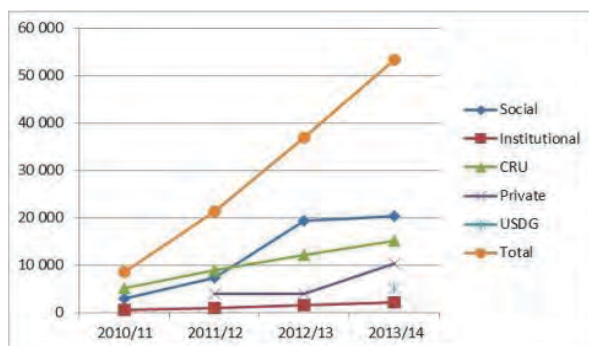
Graph 4: Cumulative Social and Rental Housing delivery from 2010/11-2013/14 by sub-programme (NDHS, 2014a)

The total reported delivery over the period is considered to be 53,339 with social housing contributing 20,429 units, CRU contributing 15,225 units, institutional housing contributing 2,249 units, USDG contributing 5,068 (non-specified) and private rental contributing 10,368. Additional figures from the USDG are also included in the reporting, but it is unclear where and how these figures are reported in relation to social housing. From the above it is clear that social housing was the biggest contributor, although the delivery of units was particu-

larly lumpy and slowed over the last year. CRU on the other hand was fairly consistent over the period with slightly lesser output, while Institutional Housing was also fairly consistent, but with a particularly low output overall.

The following presents the same figures disaggregated by province with the sub-programmes stacked as a proportion of their target.
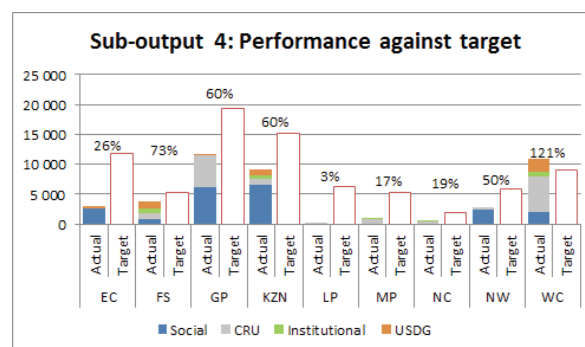
Graph 5: Social and Rental Housing delivery against target by province (NDHS, 2014a)

From the above graph only the Western Cape would appear to have exceeded the total social and rental housing targets for it over the period under review. Most of the other provinces seriously underperformed, with five provinces (North West, Northern Cape, Mpumalanga, Limpopo and Eastern Cape) all achieving less than 50% of their total target. Further, it is clear that Social Housing stands out in provinces with metros (North

West being the exception), while the Western Cape and Gauteng seem to have both made progress via CRU.

In the end, the under-performance across the three sub-programmes, if combined with USDG and private rental delivery, resulted in a total of 53,339 social and rental units being delivered, which represented 66.7% of the total and fell well below the target of 80,000 units.

4.4.7 Basic Services delivered through other funding sources

HSDG

The vast majority of what is reported here as delivered can be attributed to the HSDG. Using the national department's figures, as a funding source the HSDG accounts for the following:

Table 3: Sub-outputs 1 and 4 delivery as funded through the HSDG 2010/11-2013/14

Indicator	Total number of funded by HSDG 2010/11-2013/14	% of total funded through HSDG 2010/11-2013/14
Number of households in informal settlements upgraded in situ or through relocation	368,273	82.2%
Number of social and rental accommodation units delivered	37,903	71.1%

Thus, from the above it is clear that the HSDG is the primary funding source for all Outcome 8: Output 1 related delivery across the country.

USDG (Metro)

The USDG is an important funding source for the metros, but it would appear that the reported delivery attributed to the USDG is relatively small considering the extent of the housing need concentrated around cities. This is in part because as a supplementary grant the USDG is used by metros for a wide range of infrastructure projects, primarily bulk infrastructure, and thus is not only allocated to internal services for informal settlement upgrading. The delivery figures and proportions of the USDG contributions are presented below.

Table 4: Sub-outputs 1 and 4 delivery as funded through the USDG 2011/12-2013/14

Indicator	Total number of funded by USDG 2011/12-2013/14	% of total funded through USDG 2011/12-2013/14
Number of households in informal settlements upgraded in situ or through relocation	79,507	17.8%
Number of social and rental accommodation units delivered	5,068	9.5%

From the above it is clear that while the USDG is important for metros, the proportion of its contribution is small. This is something one would expect to grow over the next 5-year term.

RHIP (Sanitation and Water)

There was no evidence that the Rural Housing Infrastructure Programme was substantially or meaningfully included within the figures in relation to the upgrading of informal settlements.

MIG (Municipality)

There is clear evidence that MIG plays an important role as a bulk and connector infrastructure grant that unlocks the potential for provincial housing projects in non-metro municipalities. However, there is very little evidence that surfaced in the course of the research to suggest that MIG is currently contributing directly to targets related to informal settlement upgrading or social and rental accommodation units.

Any other funding sources (e.g. Municipal own funding)

There is some evidence that municipal own funding is contributing indirectly to informal settlement upgrading and the delivery of social and rental accommodation through the USDG. Because the USDG is a supplementary grant there are instances where any funded projects are blended (as in the Western Cape) and because all USDG reporting is inclusive of all related metro delivery in relation to the SDBIP, there is certainly evidence that some municipal own funding is contributing, but this cannot be meaningfully disaggregated.

4.5 What are the monitoring processes of the targets that have been put in place in the province and the metropolitan municipalities?

4.5.1 To what extent has there been under or over reporting against Output 1 targets?

With differing degrees of conviction, various national (National Respondents 1, 3 and 7) and provincial (Sub-national Respondents 1, 2, 29) respondents indicated that there had been instances of over reporting in relation to Outcome 8: Output 1 targets. In particular, sub-national respondents indicated that when reports were being compiled at the national level that programmes not intended to be linked to the indicators were being taken into account in relation to their delivery.

Using the case of KZN as an example, historical performance information was sourced from the provincial department for informal settlement upgrades as well as social and rental accommodation from the department's annual reporting in terms of the PFMA (KZN DHS, 2014). This information was then compared with

the nationally reported data in relation to Outcome 8 as presented below.

Table 5: Upgrading of households in informal settlements in KZN from 2010/11-2013/14 by different reporting types

Source	2010/11	2011/12	2012/13	2013/14	Total
POA Outcome 8 Reporting attributed to KZN	12107	15974	9872	7801	45754
KZN Provincial Annual Reporting	6765	6859	5718	8588[1]	27930
Variance	5342	9115	4154	-787	17824

From the above, it is clear that with the exception of 2013/14, the POA Reporting for Outcome 8 tended to be consistently over reported to the extent that NDHS attributed 17,824 more households to the province over the term than the KZN DHS did itself, an increase of 163.8%. When considering the table below for social and rental accommodation units, the same issue of over-reporting occurs in this case as well.

Table 6: Social and rental accommodation units delivered in KZN from 2010/11-2013/14 by different reporting types

Source	2010/11	2011/12	2012/13	2013/14	Total
POA Outcome 8 Reporting attributed to KZN	966	2364	4378	520	8228
KZN Provincial Annual Reporting	262	387	1708	472	2829
Variance	704	1 977	2 670	48	5399

The above suggests that in every year the national department over-reported on social and rental accommodation in KZN. However, in this case the explanation may rest in the fact that additional housing entities and SHRA also contribute to this indicator.

This finding is corroborated with the findings from other recent reports which touch on the same subject and indicate a much lower delivery rate across all HS programmes. The following quote from the *Expenditure and Performance Review* follows:

> "Numerous database systems are being run in parallel to track, record and report on housing expenditure and delivery statistics in respect

of the HS programmes, none of which has any defensible level of data integrity. Generally data integrity is very bad across, and within, different systems. In short, Government currently has no trusted source of data on human settlements expenditure and delivery performance" (RMS, 2013: 2).

Similarly, another recent report undertaken for DPME made the following findings related to data coordination and management:

• There is considerable overlap and duplication between the information captured on the different performance information databases in the national department;

• Despite relying on much of the same source information and evidence, each of the databases presents different data elements which have not been standardised in the absence of Technical Indicator Protocols;

• Aspects of the Monitoring, Evaluation and Impact Assessment (MEIA) Policy Framework appear to be routinely ignored or unacknowledged across the spheres of government leading to fragmentation, duplication and superfluous data (PDG, 2014b: 26).

Thus, from the above it would appear that there has been significant over reporting for the number of households upgraded in informal settlements and to some extent for social and rental accommodation units. The exact extent of this over reporting is unclear, but there is sufficient evidence triangulated via multiple sources and reports confirming that this is the case.

4.5.2 What are the mechanisms put in place to address under or over reporting against Output 1 targets?

The main mechanisms put in place to address under or over reporting against Output 1 targets appear to have been a set of revised definitions and templates that were circulated by the National Department of Human Settlements to provincial departments after the first two years of implementation.

The first attempt to address this issue concretely was documented in *Outcome 8: Outputs and Targets- Definition Guidelines* document (DHS, 2012). However, even within this document the indicators were not sufficiently well defined and considerable ambiguity prevailed.

In June of 2013, 9 months before the end of the term, the Ministerial & Members of Executive Committees (MinMEC) Task Team undertook further revisions to the definitions of Outcome 8: Output 1 related indicators. Subsequent to these changes, new reporting templates

were issued to those responsible for reporting in relation to the national housing programmes and funding sources.

In the main, the new reporting templates provided for more differentiation between sub-programmes, as well as the distinction between individual and shared services, in addition to sites, top structures and top structures with water & sanitation.

In addition to these template revisions, this study, as well as other related studies commissioned by DPME, National Treasury and the Department of Human Settlements, is all in some way mechanisms to help the department check under or over reporting and produce recommendations for resolution. However, despite these efforts to date the credibility of reporting figures remains in question.

4.6 What is hindering or enabling the achievement of Output 1 set targets as it relates to:

Based on the findings presented, it would appear that the figures reported by the National Department of Human Settlements in relation to this indicator target are not likely to have been realised, despite the secondary data utilised here suggesting otherwise.

4.6.1 Upgrading of households in well located informal settlements with access to basic services and secure tenure

Challenges to the upgrading of households can be listed as the following:

- Lack of a programmatic approach to the prioritisation and categorisation of informal settlements at municipal level.

- The fact that many informal settlements are on marginal land, and not everywhere meets the "well-located" caveat is problematic. Furthermore, some locations could not ever be legally habited or incrementally upgraded because the existing sites were unfit for habitation.

- Generally, there has been a challenge of capacity within departments, but also in the private sector and community organisations where the socio-technical component and the community-based planning capacity has been short of what was expected

- There have been serious challenges in the way provincial and local government address the issue of informality. There has been a historical gap between national housing policy and the actual rhetoric and approach to addressing informal set-

tlements by implementers and this has hindered achievements.

- The limited funding envelope for informal settlement upgrading was identified by at least three provinces as being part of the challenge to delivering against the informal settlement upgrading target.

There remain a series of challenges to addressing informal settlement upgrades properly which the introduction of Outcome 8: Output 1 was not on its own able to address. Combined, all of these factors have seriously contributed to the challenges experienced in the upgrading of informal settlements.

4.6.2 Implementation of the NUSP, with regards to the procurement of technical experts that will assist various Metros and Cities in developing Informal Settlements Development Plans

NUSP was one sub-output where a variety of initial challenges at the national level hindered implementation rollout. The initial challenges for NUSP were the following:

- No budget for the first year

- Insufficient staffing allocation of 1.5 contracted consultants

- Initial reliance on partner institutions without sufficient independence (National Respondent 4).

These challenges can be further summarized as the following:

- Deviation from the original design and intentions of NUSP, in part through the above challenges.

- Difficulty procuring technical experts with the requisite skills and experience necessary for the programme.

- Reluctance and unhelpful attitudes towards the development of informal settlement plants

- After refining "assistance" to a more general and encompassing definition, internal reporting indicates 47 of the 49 intended municipalities benefited in this respect, while an additional three municipalities requested and received assistance, bringing the total to 50.

4.6.3 Provision of affordable rental accommodation

Challenges to the delivery of affordable rental accommodation as per the Outcome 8: Output 1 targets can be stated generally as well as in more specific sub-programme terms.

Social housing

Generally speaking, there were the following common challenges to the provision of social housing:

- The costs of development are getting higher and the national department has yet to review the capital restructuring grant;

- There are too few social housing agents nationally;

- SHRA is not operating effectively;

- Requirements around the restructuring zones are limiting potential areas of development.

Community Residential Units (CRU)

CRU has been the second biggest contributor in terms of delivery in this category, but a closer inspection reveals that many of the units considered in terms of delivery were in fact upgrades of existing stock rather than new units. Despite this, there has still been under-achievement and this can in part be attributed to gaps in the policy and a comparatively expensive price tag in relation to other housing options.

Institutional

In the case of the Institutional Subsidy the main issue has been issues of viability leading to a low uptake all around. Delivery was lowest as a proportion of the target for this sub-programme and this appears to be down to cost implications as well as challenges with implementing agents.

4.6.4 Accreditation of 27 Municipalities with levels 2 and 3

Challenges to accreditation have been somewhat complex. Nevertheless, it is clear that of the 27 municipalities targeted for accreditation to Level 2, only 20 of these were accredited to this level (DHS, 2014b: 26). There were 8 other District or local municipalities at Level 1 that were targeted, but they had yet to achieve Level 2.

Some of the reasons behind this were identified by respondents as:

- Failure to gazette funding allocations for accredited municipalities thereby restricting them from the financial means to incrementally take up the function

- Need to properly introduce, train and prepare municipalities for HSS

- Serious capacity issues at municipalities

- Challenges of alignment of planning and reporting between the provincial and local government spheres.

- Insufficient change management emphases between the intergovernmental stakeholders involved.

Furthermore, there was the intention to accredit 6 of the metros with Level 3, or full assignment of the housing function by the end of term which did not occur for what was widely described as "political" reasons.

This under-achievement has also had implications for the other sub-outputs and initiatives which were conceptualised to be delivered in combination. The implication is that the underachievement in terms of accreditation had a knock-on effect on the NUSP programme as well and that the underperformance in this respect may have been mutually reinforcing, especially considering the resourcing constraints of NUSP.

4.7 What are the mechanisms put in place to speed up the delivery of the targets?

There is evidence of various actions intended to accelerate the delivery of targets. These can be described as follows:

- The pressure exerted via the regular reporting processes and Implementation Forums for Outcome 8: Output 1 necessitated some means of 'change' in order to accelerate delivery in relation to the above targets.

- The lack of definition, consultation and communication at the outset of Outcome 8 contributed to some challenges in interpretation, monitoring and reporting. By revising definitions, consulting stakeholders and producing improved templates a more refined, focussed and specific set of indicator definitions for each of the sub-outputs was intended.

Changes to the definition of the "number of households upgraded in informal settlements" at a meeting of the MinMEC Task Team in June of 2013, 9 months before the end of the reporting term, provide evidence of one initiative that can account for increases in reported delivery.

This change represents the single greatest causal increase in terms of 'accelerated delivery' in the reported figures, and accounts for some of the retrospective increases in delivery. This equates to a widening of the goal posts for the indicator definition which has allowed for the inclusion of a broader range of housing programmes and site service connections, whether individual or shared, which has diluted the original intention of the output target that was set in 2010.

There is clear evidence that the experience of the first term of the National Outcomes Approach has resulted in some learnings which are likely to improve the ability of government to deliver if these reflections are internalised and applied going forward. Key amongst these learnings is the themes of intergovernmental buy-in across levels, consultation and municipal involvement.

5. Conclusion

Answering the question: 'Did we reach our targets?' is not straightforward. This is because of the lack of clarity in definition, the different interpretations of the indicators, and the negotiations and compromises that took place subsequent to the setting of the target (and some of these very close to the end of the term).

Sub-output 1.1 Upgrade 400,000 households in informal settlements: If one interprets the indicator definition in the tightest possible way, and interprets the original policy intent in light of the international and local trends towards informal settlement upgrading, then the figures are overstated. Not all of the opportunities delivered constituted upgrading of informal settlements, nor were they all well-located, nor did they deliver a full package of services, nor did they necessarily have secure tenure (as is the case for shared services).

If pressed to provide an estimate of what was actually delivered, one can use the case of KZN to provide a conservative range of between 228,557 and 318,117 households in informal settlements were upgraded.[5]

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[5] *If one uses the case of KZN, the province reported 27,930 households in informal settlements upgraded while national government reported 45,745 households in informal settlements upgraded in the province (excluding USDG), or 61.04% of the total. Thus, if one provides a band of 10% for over or under reporting on this nationally, this could mean a range of 228,557-318,117 households.*

This estimate does not achieve the policy intent, as revised through Technical Implementation Forum decisions over the term, and is a question for those responsible for creating the definitions and targets for the next Medium-Term Strategic Framework to consider.

Sub-output 1.2 NUSP: The NUSP suffered from a revision of the target definition due to challenges experienced in implementation that were not foreseen when the targets were set. However, NUSP has established a presence in all provinces and has assisted more municipalities than was originally targeted, albeit in a less formal manner than was envisaged.

Sub-output 1.3 Affordable rental accommodations: Social and Rental Housing delivery was challenged by institutional shortcomings and there was underperformance across all sub-programmes. There was again evidence that over-reporting occurred, this despite national reporting indicating that all sub-programme targets had not been achieved, with Institutional Housing and the Private Sector seriously under-performing in relation to the targets set for the period.

Sub-output 1.4 Accreditation: The process of accreditation has not proceeded as intended and has fallen short of the 27 municipalities that were targeted for accreditation. Although couched in terms of capacity or a lack thereof, in truth the process is a political one, seen

more from a point of view of power and resources between spheres of government rather than an enabler of Sub-output 1 and Outcome 8 more generally. Perhaps most critically is that the accreditation of metros is linked to other processes including the alignment of the USDG with the housing function and the allocation of the Human Settlements Capacity Building Grant. At the time of writing, 6 of the metros targeted for assignment of the housing function were still at Level 2 accreditation, awaiting assignment.

5.1.1 Concluding remarks

The rapid appraisal has provided evidence that there were initially different interpretations and understandings of Outcome 8: Output 1 and that the manner in which it was introduced was less than ideal. Nevertheless, the accountability arrangements it established were helpful in terms of providing regular, focused and relatively concise strategic monitoring and reporting to political leadership, which in turn, kept pressure to achieve the targets. However, an unintended consequence of the pressure to achieve targets, coupled with poor initial definitions, lack of shared understanding, buy-in and planning frameworks that were not well-formulated for the purpose of monitoring and reporting, have led to the reporting of data that is not credible.

Despite these problem areas, the introduction of Outcome 8: Output 1 has clearly given impetus to a broader devolution agenda for the housing function. This emphasis permeates the focus on informal settlement upgrading, which is concentrated around the metros and big towns which qualify for accreditation, and serve as target beneficiaries of the NUSP initiative. Outcome 8: Output 1 has not resulted in the trickle down institutional reform and change management the policy espoused, in part because there were few tangible intergovernmental mechanisms for advancing the approach via the delivery agreements, but they did introduce a political will and interest around a core set of indicators. The result has been that the appraisal has raised questions about the way in which housing programmes are prioritised and applied in relation to the policy, and highlighted the crucial role of more meaningfully involving local government in the future.

6.   Recommendations

6.1 Recommendations for sub-outputs 1-4 of Outcome 8: Output 1

6.1.1 Sub-output 1: Upgrading of informal settlements

The National Department of Human Settlements, in consultation with the Provincial Departments of Human Settlements, Social Housing Institutions and Local Government, should:

- Undertake workshops and presentations to establish a shared understanding and buy-in for the Outcomes Approach, Outcome 8 (2014-2019) and its associated requirements, as well as make known any available support (e.g. capacity building, change management, guidelines, etc.) to assist senior management in cascading a shared understanding across middle and junior management across all three spheres of government.

- Make use of the existing suite of policies and programmes to collectively clarify and define core concepts related to Outcome 8 for the purpose of measurement (e.g. at which stage of incremental upgrade is a housing unit considered "upgraded" and which housing programmes may or may not be considered as contributing to this).

- Seek to affect an attitudinal shift amongst provincial and local Government staff in terms of how they approach informality. A positive attitude towards informality is desirable. Informal Settlements are a category of human settlement with a distinct purpose, and all spheres of government should proactively seek to provide incremental upgrades and housing alternatives that meet the basic requirements of the Constitution.

- Exercise better oversight of provincial and local Government planning processes to ensure that funding allocations for bulk infrastructure and other supporting infrastructure is adequate to deliver outputs in relation to the targeted upgrades.

6.1.2 Sub-output 2: NUSP

The National Department of Human Settlements should:

- Increase the staffing capacity and funding of the NUSP programme.

- Conduct diagnostic research into the socio-technical skills available in South Africa for informal settlement upgrade with a view to developing a strategy for matching the supply and availability of these skills to current and project need.

6.1.3 Sub-output 3: Accreditation

The Provincial MECs for Human Settlements should:

- Assign the housing function to the six qualifying metros as per the agreed accreditation framework since withholding devolution of the housing function may have had knock-on effects impeding realisation of other related targets.

The Provincial Departments of Human Settlements should:

- Continue to provide targeted and on-going support to municipalities to ensure that municipalities continue to grow their capacities for eventual assignment of the housing function.

The National Department of Human Settlements should:

- Better execute its monitoring and support function of provincial and local government to ensure there is requisite uptake and use of the Housing Subsidy System and associated reporting requirements as part of accreditation capacity building in local government.

6.1.4 Sub-output 4: Affordable Rental Accommodation

The National Department of Human Settlements should:

- Review the Capital Restructuring Grant to bring it in line with the costs of development for social housing.

- Work with SHRA to bring the institution to optimal organisational functionality.

- Consider options for making the pool of social housing agents more competitive, including revisiting subsidy provisions and prescriptions for Social Housing Institutions.

6.2 Cross-cutting recommendations

The National Department of Human Settlements should:

- Revisit the format and structure of the Provincial Business Plan templates to ensure that it is clearly discernible how various programmatic units of measure translate into performance indicators consistent with Outcome 8 (2014/2019) delivery agreements.

- Better distinguish between the requirements and emphases of the Implementation Forums and Min-MECs so that the functions and intentions of the

respective forums are not conflated without regard for the respective purposes, stakeholders and structures.

- Oversee that institutional capacity is built across national, provincial and local government to ensure all delivery agreements are well understood, signed, and the requisite targets and reporting requirements honoured.

- Make use of spatial data and geographic information systems standard and link to the units comprising the indicator measures across the various typologies and increments of housing to aid monitoring and auditing of reporting.

The Provincial Departments of Human Settlements, in conjunction with local government should:

- Undertake research to quantify and establish the extent of differentiated human settlements need within their respective areas.

6. 3 Recommendations to the Department of Planning, Monitoring & Evaluation

Recommendations that are cross-cutting in relation to the Outcomes Approach, and directed at DPME, therefore include:

- Allow for greater differentiation in the conceptualisation of the logic model and results chain for the Outcomes, better distinguishing between outputs, outcomes and impact and make this theory of change explicit for each Outcome.

- Introduce a set of indicator protocol guidelines or templates for all those indicators with targets included in the Delivery Agreements. It is imperative that a common framework for measurement is established before measurement begins that sets the foundation for valid, reliable data to be consistently obtained across sectors and departments.

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