



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



MONITORING EVALUATION AND IMPACT ASSESMENT 2013/2014 - 2018/2019

Policy & Implementation Framework
for the Human Settlements Sector





human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

2013/2014 - 2018/2019

MONITORING EVALUATION AND IMPACT ASSESMENT

Policy and Implementation Framework
for the Human Settlements Sector

ISBN: 978-0-621-43834-5
RP: 240/2015

Contents

ACRONYMS	7
Foreword by the Director-General	8
Executive Summary	10
Section A: Monitoring, Evaluation and Impact Assessment (MEIA)	
Policy for the Human Settlements Sector	14
1. Introduction	14
2. Mandate underpinning the formulation of the MEIA Policy and Implementation Framework for the Human Settlements Sector	14
2.1. <i>The Housing Act, 1997 (Act 107 of 1997)</i>	15
2.2. <i>The Government-Wide Monitoring and Evaluation System</i>	18
2.3. <i>The Comprehensive Plan for the Development of Sustainable Human Settlements</i>	22
2.4. <i>State of the Nation Address</i>	23
2.5. <i>The National Environmental Management Act (NEMA) (Act 107 of 1998)</i>	24
3. Intent of the MEIA Policy and Implementation Guidelines	25
4. Scope of the application of the MEIA Policy for the Human Settlements Sector	25
5. Understanding the terminology	26
5.1. <i>Monitoring:</i>	26
5.2. <i>Evaluation:</i>	27
5.3. <i>Impact assessment:</i>	28
6. Principles that underpin the MEIA Policy for the Human Settlements Sector	29
7. Criteria for monitoring, evaluation and impact assessment	30
8. Monitoring, Evaluation and Impact Assessment Approaches	31
8.1. <i>Performance Monitoring</i>	31
8.2. <i>Results-Based Monitoring and Evaluation</i>	32
8.3. <i>Rapid Appraisals</i>	33
8.4. <i>Case Studies</i>	33
8.5. <i>Diagnostic</i>	34
8.6. <i>Design</i>	34





8.7. <i>Implementation</i>	34
8.8. <i>Impact</i>	34
8.9. <i>Economic</i>	35
8.10. <i>Evaluation synthesis</i>	35
9. Monitoring and Evaluation Tools, Indicators, Methodologies and Processes	35
9.1. <i>Monitoring and Evaluation Implementation Plans</i>	36
9.2. <i>Indicators and targets</i>	36
9.3. <i>Project Implementation Reviews</i>	37
9.4. <i>Data collection</i>	38
9.5. <i>Data verification</i>	39
9.6. <i>Data analysis</i>	39
9.7. <i>Reporting</i>	39
9.8. <i>Feedback and Dissemination</i>	40
9.10. <i>Standardised systems</i>	40
10. Storing and warehousing of Information	40
Section B: Implementation Framework for the Monitoring, Evaluation and Impact Assessment Policy for the Human Settlements Sector	41
1. The M&E cycle	41
2. The Logic Model	42
3. Monitoring approaches	43
3.1. <i>Performance Monitoring</i>	43
3.2. <i>Results-Based Monitoring and Evaluation</i>	44
3.3. <i>Rapid Appraisals</i>	44
3.4. <i>Case Studies</i>	45
4. Monitoring and Evaluation Tools, Indicators, Methodologies and Processes	46
4.1. <i>Monitoring and Evaluation Implementation Plans</i>	46
4.2. <i>Indicators</i>	47
5. Setting Baselines and Targets	54
5.1. <i>Baselines</i>	54
5.2. <i>Targets</i>	54

6. Data collection, verification, compilation and analysis	56
7. Reporting	58
8. Feedback and Dissemination	58
8.1. <i>Feedback</i>	58
8.2. <i>Dissemination of results</i>	59
9. Results-Based Evaluation Systems	60
9.1. <i>Evaluation Approach and types</i>	60
	64
9.2. <i>Planned evaluations</i>	65
10. The storing and warehousing of information	67
10.1. <i>Rationalising an updated Monitoring, Evaluation and Impact Assessment (MEIA) system</i>	67
10.2. <i>Monitoring, Evaluation and Impact Assessment (MEIA) system</i>	68
	9
10.3. <i>Establishment of a Repository for MEIA Indicator Data</i>	69
10.4. <i>Validity and reliability of data</i>	72
11. Production of reports	74
11.1. <i>Standard reports</i>	74
11.2. <i>Critical documents to be prepared by Provincial Human Settlements Departments</i>	75
11.3. <i>Ad Hoc Information Needs</i>	75
12. Role of Stakeholders	77
12.1. <i>National Department of Human Settlements</i>	77
12.2. <i>Provincial Departments of Human Settlements</i>	78
12.3. <i>Municipalities</i>	80
12.4. <i>Housing Support Institutions</i>	80
13. Measuring achievement of goals	81
Section C: Monitoring, Evaluation and Impact Assessment (MEIA) Programme and Project Specific Tools for the Human Settlements Sector	82
1. Human Settlements programmes, and projects	82
2. Medium Term Strategic Framework (MTSF) 2014-2019	83
2.1. <i>National Development Plan (NDP) 2030 Vision and Trajectory</i>	83





2.2. <i>Constraints and strategic approach</i>	85
2.3. <i>NDP output priorities to achieve the Vision</i>	86
2.4. <i>Management of Implementation</i>	86
2.5. <i>MTSF sub-outcomes and component actions, responsible ministry, indicators and targets</i>	87
2.6. <i>Impact indicators</i>	100
3. Multi-year Development Plan Guidelines	102
3.1. <i>Content and format</i>	103
3.2. <i>Reporting indicators for the provinces and the metropolitan municipalities on the MTSF</i>	112
4. HSDG and provincial-specific programmes	116
4.1. <i>Background on the HSDG</i>	116
4.2. <i>Rationale</i>	117
4.3. <i>Reporting indicators and targets</i>	120
4.4. <i>Performance evaluation plan and reporting timeframes</i>	123
5. Urban Settlements Development Grant (USDG)	127
5.1. <i>Background on the USDG</i>	127
5.2. <i>Rationale</i>	129
5.3. <i>Reporting indicators and targets</i>	131
5.4. <i>Performance evaluation plan and reporting timeframes</i>	137
6. Municipal Human Settlements Capacity Grant (MHSCG)	140
6.1. <i>Background on the MHSCG</i>	140
6.2. <i>Rationale</i>	141
6.3. <i>Reporting indicators and targets</i>	142
6.4. <i>Performance evaluation plan and reporting timeframes</i>	142
6.5. <i>Monitoring and evaluation process</i>	144
7. Human settlements in mining towns	145
7.1. <i>Background of human settlements in mining towns</i>	145
7.2. <i>Rationale</i>	145
7.3. <i>Reporting indicators and targets</i>	147
8. Catalytic projects	147
8.1. <i>Background</i>	147
8.2. <i>Rationale</i>	148

8.3. <i>Framework and guidelines/criteria for assessing the catalytic projects</i>	149
8.4. <i>Right investment: Criteria for prioritisation of human settlements</i>	150
8.5. <i>Basis for spatial prioritisation</i>	151
8.6. <i>Right investment: Catalytic initiatives</i>	151
8.7. <i>Creating collaborative investment</i>	152
8.8. <i>Using priority housing development areas (PHDAs) to implement catalytic projects</i>	152
8.9. <i>Reporting indicators and targets</i>	153
9. Equitable share	154
9.1. <i>Background</i>	154
9.2. <i>Rationale</i>	155
9.3. <i>Reporting indicators and targets</i>	157
9.4. <i>Performance evaluation plan and reporting timeframes</i>	158
10. Environmental Implementation Plans (EIPs)	159
10.1. <i>Background</i>	159
10.2. <i>Rationale of the Environmental Implementation Plans</i>	159
10.3. <i>Recommendations for environmental management and related indicators</i>	161
10.4. <i>Reporting indicators and targets</i>	163
10.5. <i>Performance evaluation plan and reporting time frames</i>	165
11. Institutions	165
11.1. <i>Background on institutions</i>	165
11.2. <i>Rationale</i>	168
11.3. <i>Reporting indicators and targets</i>	170
11.4. <i>Performance evaluation plan</i>	188
11.5. <i>Reporting timeframes</i>	188
Glossary of Terms	190
References	195
Annexure 1: <i>The goal and objective map</i>	196
Annexure 2: <i>The indicator protocol</i>	199
Annexure 3: <i>Monitoring and Evaluation Implementation Plan</i>	202
Annexure 4: <i>Proposed schedule for provincial project level monitoring</i>	204





ACRONYMS

BEE	Black Economic Empowerment
BNG	The Breaking New Ground Strategy (The Comprehensive Plan for the Development of Sustainable Human Settlements)
CoGTa	Department of Cooperative Governance and Traditional Affairs
CEC	Committee for Environmental Coordination
DHS	Department of Human Settlements
DoRA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
GWMEs	Government-wide Monitoring and Evaluation System
HDA	Housing Development Agency
HSS	Housing Subsidy Scheme/System
HUIMS	Housing and Urbanisation Information Management System
IDP	Integrated Development Plan
IGR	Intergovernmental relations
IHP	The Inclusionary Housing Programme
M&E	Monitoring and evaluation
MEIA	Monitoring Evaluation and Impact Assessment
MER	Monitoring, Evaluation and Reporting
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MinMec	Ministry and Members of Executive Council
MSA	The Municipal Structures Act of 1998
MTEF	Medium-term expenditure framework
NDoHS	The National Department of Human Settlements
NEPF	National Evaluation Policy Framework
NHBRC	National Home Builders' Registration Council
NHFC	National Housing Finance Corporation
NHSPPPs	National Human Settlements Policy, Programmes and Projects
NURCHA	National Urban Reconstruction and Housing Agency
NUSP	National Upgrading Support Programme
PFMA	The Public Finance Management Act, (Act No. 1 of 1999)
PHP	People's Housing Process
RBM	Results Based Management
RHIG	Rural Households Infrastructure Grant
RHLF	Rural Housing Loan Fund
SASQAF	South African Statistics Agency Quality Assurance Framework
SDBIP	Service Delivery and Budget Implementation Plan
SHF	Social Housing Foundation
SMME	Small Medium and Micro Enterprises
UN	United Nations
USDG	Urban Settlements Development Grant
WSNIS	Water Services National Information System



Foreword by the Director-General

The Housing Act, (Act 107 of 1997), places the responsibility on the Minister of Human Settlements, through the three spheres of Government, to monitor and produce meaningful, qualitative and quantitative information on the implementation, progress, outcomes and impact of National Human Settlements Policies, Programmes and projects as well as the Human Settlements Sector as a whole. As part of this mandate, the National Department of Human Settlements has a Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the Human Settlements Sector.

The MEIA Policy and Implementation Framework sets the basis for monitoring and evaluation in the sector; establish principles to guide the sector to monitor and evaluate National Human Settlements Policies, Programmes and projects, and provide monitoring and evaluation Human Settlements practitioners with the tools to undertake their tasks. The MEIA Policy and Implementation Framework apply to all the Departments of Human Settlements on national, provincial, metropolitan and local government municipalities' levels as well as Human Settlements Institutions.

The MEIA Policy and Implementation Framework outlines all monitoring and evaluation activities, documents the key M & E questions to be addressed, what indicators will be collected, how often, from where and why they will be collected; baselines, targets and assumptions; how they are going to be analysed or interpreted, and how often





reports will be developed and distributed on these indicators. It also includes a set of core indicators contained in the Indicator Protocol that will measure the various levels of results in the Human Settlements Sector based on the requirements of the Comprehensive Plan. This enables the responsible actors to ensure that there is accountability for resources spent as well as for ensuring that learning occurs within the organization.

The National Department of Human Settlements acknowledges the efforts of Provincial Human Settlements Departments, Metropolitan Municipalities as well as Human Settlements Institutions in participating in the implementation of the MEIA Policy and Implementation Framework. Through implementation of the MEIA Policy and Implementation Framework, we believe that credibility and public confidence will be promoted by reporting on the results of programmes. It will also assist managers to identify weaknesses and take action to correct the latter, thereby supporting a development agenda that is shifting towards greater accountability in the creation of sustainable human settlements.

A handwritten signature in black ink, appearing to be 'Thabane Zulu', enclosed within a hand-drawn oval.

Mr. Thabane Zulu

Director-General:

National Department of Human Settlements

Date: 23 December 2014



Executive Summary

Due to the introduction of the Urban Settlements Development Grant (USDG), Outcome 8, and the incorporation of the Sanitation Programme to the Department, the 2010 MEIA policy and implementation framework is reviewed to ensure alignment to the new developments within the Department as well as to ensure that each reporting requirement does not lead to the development of new, overlapping, duplicate, and parallel data collection and monitoring systems being created.

The need for global transformation in public sector management has given rise to countless challenges for public sector institutions regarding accountability and the need for real results. Within the context of the global economy and rapidly changing needs for information and technology, calls for greater community participation and democracy, as well as good governance for the achievement of sustainable socio-economic development that reduces poverty, have become key. International and external pressures as well as internal initiatives and forces of change have placed greater pressure on governments to demonstrate accountability, transparency and deliver tangible services effectively and efficiently that show an improvement in the quality of people's lives.

The Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the Human Settlements Sector are located within a broader framework where the National Programme of Action attempts to transform the state into a developmental one. The MEIA Policy and Implementation Framework was developed using the results-based management system to ensure that organisational processes, products and services contribute to the achievement of clearly stated results. Results Based Monitoring and Evaluation is a powerful public management tool that helps policymakers and decision-makers to track progress and demonstrate the impact of a given project, programme, or policy. Results-based M&E differs from traditional implementation-focused M&E in that it moves beyond an emphasis on inputs and outputs with a greater focus on outcomes and impacts.





The mandate for the MEIA Policy and Implementation Framework for the Human Settlements Sector emanates from the following prescripts:

- The Housing Act, 1997 (Act 107 of 1997)
- The Government-Wide Monitoring and Evaluation System of the Department of Performance Monitoring and Evaluation (DPME)
- The Comprehensive Plan for the Development of Sustainable Human Settlements (the Comprehensive Plan)
- State of the Nation Address
- Treasury Regulation
- The National Environmental Management Act (NEMA) (Act 107 of 1998)

The intent of the MEIA Policy and Implementation Framework, as aligned to the DPMEs National Evaluation Policy Framework (NEPF), is to provide the Human Settlements Sector with prescripts to facilitate the rollout of the legislative and other M&E mandates. It applies to all the Departments of Human Settlements at the National, Provincial and Municipal levels as well as to Metropolitan Municipalities, and the Human Settlements Institutions created by the National and Provincial Human Settlements Departments to facilitate the Human Settlements delivery process.

The monitoring and evaluation of all National Human Settlements Policy, Programmes and Projects (NHSPPPs) focuses on the outcomes and impacts over and above inputs and outputs. It utilises accurate and reliable information supported by an Information Management System namely, the Monitoring, Evaluation and Impact Assessment System. It is supplemented by other officially recognised data sources e.g. STATS SA, Deeds Registry, other national departments' databases. It endeavours to comply with the requirements of the Government-Wide M&E System and improve the quality of monitoring and evaluation practices by regularly reviewing indicator formulation to improve the measurement of results, and ultimately to improve the effectiveness and impact of Human Settlements delivery by reflecting on what is and what is not working to enable revision and design of relevant interventions accordingly.

The criteria on which the monitoring, evaluation and impact assessment of all National Human Settlements Programme will be evaluated is, relevance to the content; the veracity of the data; verifiability and legitimacy of the data; objectivity of data sources; an efficient monitoring, evaluation and impact assessment system; measurable and indicative outputs and outcomes; justification within the national developmental priorities; time-bound parameters within which a study is to be conducted; effective in measuring the extent to which the outcome has been achieved; utility of results compared with the needs of the target population; and sustainability of the positive changes after the programme or project has been terminated.

The Monitoring, Evaluation and Impact Assessment (MEIA) approaches that are utilised include:

- Performance Monitoring
- Results-Based Monitoring and Evaluation
- Rapid Appraisals
- Case Studies
- Diagnostic
- Design
- Implementation
- Impact
- Economic
- Evaluation synthesis

In order to monitor and evaluate effectively the following tools and methodologies are utilised:

- Monitoring and Evaluation Implementation Plans
- Indicators and targets
- Project Implementation Reviews





- Various data collection methodologies
- Verification processes
- Analysis of data
- Reports
- Feedback and dissemination
- Standardised systems

The Framework has an M&E cycle that is linked to the logic model. The logic model has a goal and objective map which presents an outline of the Comprehensive Plan strategy from a measurement perspective. The goal and objective map has a list of the core indicators that have been formulated in order to ensure that the Department of Human Settlements is able to measure achievements at each one of the levels of results (Goal, Sub-goal and Objective). Consideration has been given to the current, as well as the development of new indicators in instances where there are gaps.

The primary focus of the MEIA System, on a conceptual level, is the Indicator Protocol, which guides and informs the system development process. The Indicator Protocol makes provision for a Goal and Hierarchy which is measured by a collection of indicators in pre-defined roles. It defines each indicator's name, result it responds to, unit of measure, and the plan for data acquisition. Once data has been updated within the MEIA System, standard reports are extracted from the System within 15 days after the end of the quarter under review. All data collected is stored in the MEIA Warehouse.



Section A: Monitoring, Evaluation and Impact Assessment (MEIA) Policy for the Human Settlements Sector

1. Introduction

The Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the Human Settlements Sector, sets the basis for monitoring and evaluation in the sector, establish principles to guide the sector to monitor and evaluate National Human Settlements Policies, Programmes and projects (NHSPPPs), and provide monitoring and evaluation Human Settlements practitioners with the tools to undertake their tasks. This enables the Human Settlements Sector to focus on priority Human Settlement Sector areas and ensure a culture of continuous improvement in Human Settlements Sector service delivery.

2. Mandate underpinning the formulation of the MEIA Policy and Implementation Framework for the Human Settlements Sector

- The legal basis for monitoring, evaluation, and impact assessment emanates from the Constitution (section 195) which mandates that in the principles of public administration:
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- Public administration must be accountable; and
- Transparency must be fostered by providing the public with timely, accessible and accurate information.

One of the key processes in the implementation of the National Development Plan (NDP), entails that planning and implementation should be informed by evidence-based monitoring and evaluation.





The Public Finance Management Act (PFMA, 1999), the Public Service Act (1994 as amended by Act 30 of 2007) and the Municipal Finance Management Act (MFMA) also provide a legal basis for the efficient and effective management of public policies and programmes. Chapter 5 of the National Treasury regulations stipulates that the Accounting Officer of an institution must establish procedures for quarterly reporting to the executive authority, to facilitate effective performance monitoring, evaluation and corrective action. National Treasury further explains the importance of these impacts on how monitoring, evaluation and impact assessment is to be undertaken within the National and Provincial Departments of Human Settlements. The Division of Revenue Act (DoRA), which is enacted annually, is also relevant and provides for the equitable division of revenue among the three spheres of government.

The mandate for the MEIA Policy and Implementation Framework for the Human Settlements Sector emanates from the following prescripts:

2.1. The Housing Act, 1997 (Act 107 of 1997)

i. Section 3 (1) of the Act states:

“...The National Government acting through the Minister must, after consultation with every MEC and the National organisation representing municipalities, as contemplated in Section 163 (a) of the Constitution, establish and facilitate a sustainable, national housing development process”;

ii. Section 3 (2) (c) of the Act then states that

“...for the purposes of Subsection (1) the Minister must”... , inter alia: “Monitor the performance of the National Government and, in cooperation with every MEC, the performance of provincial and local governments against Human Settlements delivery goals and budgetary goals”; and

iii. Section 4 (i) states that the Minister may:

“evaluate the performance of the Human Settlements Sector against set goals and equitableness and effectiveness requirements.”

iv. Section 6 stipulates that:

- (1) The Director-General must establish and maintain a national Human Settlements data bank (in this section referred to as the “data bank”) and associated therewith, a national Human Settlements information system (in this section referred to as the “information system”).
- (2) The objects of the data bank and information system are to:
 - record information for the purposes of the development, implementation and monitoring of national Human Settlements policy;
 - provide reliable information for the purposes of planning for Human Settlements development;
 - enable the Department to effectively monitor any aspect of the Human Settlements development process;
 - provide macro-economic and other information with a view to integrating national Human Settlements policy with macro-economic and fiscal policy and the co-ordination of Human Settlements development with related activities;
 - serve and promote Human Settlements development and related matters; and
 - collect, compile and analyse categorised data in respect of Human Settlements development: including, but not limited to, data categorised according to; gender, race, age and geographical location.
- (3) For the purposes of subsection (1) the Director-General must:
 - a) as far as possible obtain access to existing sources of information;
 - b) co-ordinate information required for the purposes of the data bank with other official sources of information; and





- c) take into account the reasonable needs of provincial governments and municipalities for information regarding Human Settlements development.
- (4) For the effective performance of the duties imposed by subsection (3) the Director-General may-
- a) require any provincial government or municipality to provide any information reasonably required for the purposes of the data bank or information system and determine the form and manner in, and time within which such information is to be supplied;
 - b) render to provincial governments and municipalities any assistance reasonably required for performing their duties contemplated in paragraph (a) and subsection (5);
 - c) link the data bank or the information system or both the data bank and information system to any other data bank information system or other system within or outside the public administration;
 - d) subject to other legislation prohibiting or regulating the disclosure of information. Limit or refuse access by any person or category of persons to any information in the data bank or information system or in any part of that bank or system-
 - a. that was obtained from -
 - (aa) any state source. If access by any such person or category of persons to such information in or at that source is limited or prohibited: or
 - (bb) any source other than a state source on the condition that such information would not be accessible to any such person or category of persons:
 - b. if the disclosure of such information would unfairly prejudice any person or give any person any unfair advantage over any other person;
 - e) determine and collect for the benefit of the Fund fees payable for the supply of or the granting of access to any information or category of information in the data bank and information system;
 - f) and take any steps reasonably necessary to carry out his or her duties or to achieve the objects of the data bank and information system,

(5) Provincial governments and municipalities must:

- a) Co-operate with the Director-General in performing his or her duties and exercising his or her powers in terms of this section;
- b) Support the objects for which the data bank and information system have been established; and
- c) Refrain from any act which may prejudice the effective functioning of the data bank and information system.

It is therefore apparent that the Housing Act, as the single most important piece of legislation underpinning Human Settlements delivery, places the responsibility on the Minister of Human Settlements, through the three spheres of Government, to monitor and produce meaningful, qualitative and quantitative information on the implementation, progress, outcomes and impact of National Human Settlements Policies and Programmes, as well as the Human Settlements Sector as a whole. In addition, the Human Settlements Act requires the Director General of the National Department of Human Settlements to establish and maintain a National Human Settlements Data Bank and associated Human Settlements Information System, a Transversal Operational System in the nine Provincial Human Settlements Departments to register and administer Human Settlements projects and beneficiaries.

2.2. The Government-Wide Monitoring and Evaluation System

A Policy Framework for the Government-Wide Monitoring and Evaluation (GWM&E) System was approved by Cabinet in 2005. The GWM&E System describes three “data terrains” which underpin the monitoring and evaluation system, namely, programme performance information; social, economic and demographic statistics; and evaluation.

The rationale for the GWM&E System was to provide decision-makers, in all Government agencies, departments and local governments with easy access to regular and reliable information that would contribute towards the management of their own processes by indicating which of their practices and strategies worked well and which needed to be changed or improved.





As the custodian of M&E in government, DPME coordinates the Government-Wide M&E System. The Policy Framework on the GWM&E System is supported by three other frameworks, namely: The National Evaluation Policy Framework (NEPF) under DPME, the Framework for Managing Programme Performance Information (FMPPI) under the National Treasury and South Africa's Statistical Quality Assessment Framework (SASQAF) under Stats SA.

DPME has also established the National M&E Forum and the Forum of Heads of M&E from the Offices of the Premier. The presidency has also developed several guidelines such as guidelines for drafting terms of reference, peer reviews, departmental evaluation plan, inception phase of evaluations (draft being tested), implementation programmes, improvement plans, communicating evaluation findings, types of evaluation guidelines, etc.

These stakeholder forums, the M&E learning network of government officials, and the guidelines enhance the sharing of knowledge and good practices on M&E in order to promote service delivery improvement and a culture of learning in the public sector.

The DPMEs NEPF provides for a common understanding of evaluation, an institutional framework for evaluations, and mechanisms to promote the utilisation of evaluations. Its main purpose is to promote quality evaluations which can be used for learning to improve the effectiveness and impact of government, by reflecting on what is working and what is not working and revising interventions accordingly. It seeks to ensure that credible and objective evidence from evaluation is used in planning, budgeting, organisational improvement, policy review, as well as ongoing programme and project management, to improve performance. It provides a common language for evaluation in the public service.

The NEPF defines evaluation as: "The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organisations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability and recommend ways forward."

Departmental evaluations are currently not standardised nor is there any assurance that programmes are evaluated at regular intervals. The NEPF seeks to address the use of evaluation to promote improved impact of government programmes, to increase transparency and accountability, to link evaluations to planning and budgeting

processes, to improve the quality of evaluations undertaken, and to ensure that evaluation findings are utilised to improve performance.

The seven key elements of the NEPF are:

1. Large or strategic programmes, or those of significant public interest or of concern must be evaluated at least every 5 years. The focus will be on government's priority areas, which are currently the 12 outcomes, including the 5 key areas of health, crime, jobs, rural development and education.
2. Rolling three year and annual national and provincial evaluation plans must be developed and approved by Cabinet and Provincial Executive Councils. These will be developed by DPME and the Offices of the Premier. These plans will identify the minimum evaluations to be carried out – departments will be free to carry out additional evaluations.
3. The results of all evaluations in the evaluation plan must be in the public domain, on departmental and DPME websites (excluding classified information).
4. Improvement plans to address the recommendations from the evaluations must be produced by departments and their implementation must then be monitored.
5. Departments will be responsible for carrying out evaluations. DPME and (in time) Offices of the Premier will provide technical support and quality control for evaluations in the national and provincial evaluation plans.
6. Appropriate training courses will be provided by PALAMA, universities and the private sector to build evaluation capacity in the country.
7. DPME will produce a series of guidelines and practice notes on the detailed implementation of the policy framework, to elaborate various aspects of the system, and to set quality standards for evaluations.

It is noted that while each national sector department has its own particular areas of concern and that each of these departments will require its own unique framework for its particular analytical purposes. However, some generic information reporting, that straddles the entire spectrum of Government, e.g. spending and budgetary information





required by National Treasury or the performance of departments with regard to the implementation of Government's Programme of Action, is required. The GWM&E System is expected to cater for this requirement, and it is envisaged that the information required will be detailed and accurate and be generated via regular and integrated management processes rather than through separate procedures. Furthermore, it is anticipated that some information, e.g. on progress with the implementation of programmes will focus not only on the inputs, outputs and outcomes but will also periodically assess the impact of the strategic objectives.

Each Department or public body will be required to provide information to the GWM&E System on:

- achievement of targets in terms of performance indicators included in their strategic plans;
- progress made in relation to Government's Programme of Action; and
- impact studies for each programme undertaken at least every five years.

In addition, each Department or public body will need to determine procedures and processes, appropriate to its own operations, to fulfil this mandate. Departments also need to ensure there is an evaluation budget in all programmes and a rolling plan over 3 years for which evaluations will be undertaken; ensure there are specific people within the organisation entrusted with the evaluation role, and with the required skills; ensure that the results of evaluations are used to inform planning and budget decisions, as well as general decision-making processes.

The Human Settlements Sector is required to provide the GWM&E System with accurate and reliable information on the performance of Government's programmes and the effectiveness and efficiency of service delivery in the sector. In order to adhere to this responsibility, processes and procedures are being put into place to measure, monitor and evaluate performance and service delivery. The NDOHS has redirected its efforts to ensure that its approach to MEIA encompasses the tenets of the GWM&E System and the NDOHS to align the Human Settlements Sector monitoring and evaluation processes to the GWM&E Plan.

2.3. The Comprehensive Plan for the Development of Sustainable Human Settlements

The Comprehensive Plan for the Development of Sustainable Human Settlements (the Comprehensive Plan) as approved by Cabinet in 2004, makes provision for interventions to be undertaken to enhance data collection, management information, monitoring and evaluation and performance measurement. In this regard, specific reference is made to the need to provide more confidence in the quality of Human Settlements subsidy and expenditure Data and therefore the need for a new strategy to improve data input and interpretation. The Comprehensive Plan mandates the NDOHS to ensure that:

- Current systems of both the NDOHS and Provinces are brought up to date and confirmed; and
- New systems and procedures are instituted to enhance the existing management information systems of the NDOHS, Provinces and municipalities.

Provision has been made for Performance Monitoring and the NDOHS developed a comprehensive Human Settlements Sector monitoring, information and reporting system based on key performance indicators. This system is capable of regular, structured reporting on the performance (quantitative as well as qualitative) of the various National Human Settlements Programmes and Human Settlements Institutions. This information is used to support policy development and enhancements and forms the basis for developing reports to institutions established in terms of Chapter 9 of the Constitution (e.g. Human Rights Commission, Office for Women etc.), Parliament and international agencies such as UN Habitat.

Furthermore, the various Business Plans of the Comprehensive Plan highlight the need to monitor and evaluate each of the National Human Settlements Programmes to ensure delivery as intended and to learn lessons that will enhance policy, programmes and delivery. Implicit in the Comprehensive Plan, also, is a need for a Monitoring and Evaluation Policy which will assist the NDOHS to determine, inter alia, how and whether the Human Settlements policies and programmes are working as intended and what needs to be done to enhance the policies and programmes, and in this way assist in enhancing Human Settlements delivery.





2.4. *State of the Nation Address*

In his State of the Nation Address on June 2009, the State President said that:

“A developmental state requires the improvement of public services and strengthening of democratic institutions. We have established two Ministries in the Presidency to strengthen strategic planning as well as performance monitoring and evaluation. To ensure delivery on our commitments, we will hold Cabinet Ministers accountable through performance instruments, using established targets and output measures, starting in July 2009. We will also involve State-Owned Enterprises and Development Finance Institutions in the government planning processes and improve the monitoring and evaluation of their performance.”

In his 2010, State of the Nation Address, the State President said that:

“We are building a performance-oriented state, by improving planning as well as performance monitoring and evaluation.”

“We are pleased to announce a new way of doing things in government. The work of departments will be measured by outcomes, developed through our performance monitoring and evaluation system. The ministers who are responsible for a particular outcome, will sign a detailed delivery agreement with the President. It will outline what is to be done, how, by whom, within what time period and using what measurements and resources.”

In his 2011, State of the Nation Address, the State President said that:

“We remain committed to building a performance-orientated State. Our performance monitoring and evaluation department will coordinate and monitor the work of government departments closely, as they mainstream job creation”.

In his 2013, Address in response to the State of the Nation Address, the State President said that:

“The monitoring of management practices by the Department of Performance Monitoring and Evaluation in my office is already starting to bear fruit in a number of areas. For example, the average time taken to fill a

funded vacancy in national and provincial departments has improved from 9 months in 2010 to four months in 2012.”

“It is also an undertaking made in the National Development Plan, that the culture and orientation of the public service will change for the better. It is for this reason that we say if that we are to pay public servants better, we want a return on our investment.”

It is obvious therefore that there is a need for continuous implementation of a MEIA Policy which will provide consistency with the legislative and constitutional requirements and also allow for alignment to the established two Ministries in the Presidency and the National Evaluation Policy Framework to strengthen planning as well as performance monitoring and evaluation.

2.5. The National Environmental Management Act (NEMA) (Act 107 of 1998)

The National Environmental Management Act (NEMA), 1998 (Act 107 of 1998) sets out to provide for cooperative environment governance by establishing principles for decision making on matters affecting the environment, institutions that will promote cooperative governance, procedures for coordinating environmental functions exercised by organs of states, and to provide for matters connected therewith.

Furthermore NEMA requires that national and provincial departments exercising functions which may affect the environment, in terms of the Schedule 1 of the Act, prepare an Environmental Implementation Plan (EIP) and to monitor and review their implementation on a regular basis. Also that national and provincial department exercising functions involving the management of environment, in terms of Schedule 2 of the Act, must prepare an Environmental Management Plan (EMP). The Department of Human Settlements is listed in Schedule 1, and is therefore required to prepare an Environmental Implementation Plan (EIP).





3. Intent of the MEIA Policy and Implementation Guidelines

The intent of the MEIA Policy and Implementation Framework is to provide the Human Settlements Sector with prescripts to facilitate the rollout of the legislative and other M & E mandates. It also provides:

- methodological processes and procedures to monitor the performance of NHSPPPs against National Norms and Standards and to evaluate the results and impacts of the NHSPPPs;
- the tools that promote accountability for resource use against the objectives of national and provincial departments and municipalities and the basis on which recommendations for amendments and improvements to policies and programmes will be made;
- the system to document, provide feedback on and disseminate results and lessons learned;
- the mechanisms to support the implementation of an effective monitoring and evaluation system and guidance in respect of the activities to be carried out in relation to the implementation of the MEIA system; and
- roles and responsibilities of the different stakeholders in the context of monitoring, evaluation and impact assessments.

4. Scope of the application of the MEIA Policy for the Human Settlements Sector

The MEIA Policy for the Human Settlements Sector applies to all the Departments of Human Settlements at the National, Provincial and Municipal levels as well as to all the Human Settlements Institutions created by the National and Provincial Human Settlements Departments to facilitate the Human Settlements delivery process.

5. Understanding the terminology

5.1. Monitoring:

- is a continuous function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds;
- gives information on where a policy, program, or project is at any given time (and over time) relative to respective targets and outcomes. It is descriptive in intent. (Rist 2002:27)
- measures progress and benefits received towards achieving desired objectives;
- tracks actual performance against what was planned or expected according to pre-determined standards (i.e. National Norms and Standards) and targets;
- ascertains result from which recommendations on corrective measures are made;
- ensures that accountability is taken based on transparent procedures, oversight, and data-based reporting; and
- adds to the learning and capacity-building goals and can therefore help the sector become progressively more cost-effective by building on the lessons of both successes and failures, early.

Monitoring alone, although necessary, is not sufficient enough. It is merely concerned with measuring whether or not that planned for is being undertaken. In order to assess whether or not Human Settlements sector plans are resulting in their intended impacts, and the reasons therefore, impact assessments and evaluations are needed.





5.2. *Evaluation:*

- is the systematic and objective assessment of an ongoing or completed project, program, or policy, including its design, implementation, and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability;
- should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision making process of both recipients and donors or stakeholders;
- can be undertaken for four primary reasons (NEPF);
- Improving performance (evaluation for learning);
- Evaluation for improving accountability;
- Evaluation for generating knowledge (for research) about what works and what does not;
- Improving decision-making;
- measures how well the intervention has met the expected objectives;
- measures the extent to which any changes in the outcomes can be attributed to the intervention;
- Provides information which allow for the incorporation of lessons learnt into further decision making processes; and
- Concentrates on documenting benefits and impacts and questions whether the objectives, management structures, delivery mechanisms, content and target group of the project or programme are appropriate and it explores the changes that may be required.

Table 1: Complementary Roles of Results-Based Monitoring and Evaluation

MONITORING	EVALUATION
Clarifies programme or policies (Human Settlements)	Analyses why intended objectives results were or were not achieved
Links activities and their resources to objectives of DOHS	Assesses specific causal contributions of activities to results
Translates objectives into indicators process and sets targets	Examines implementation performance
Routinely collects data on these indicators, compares actual results with targets	Explores unintended results
Reports progress to managers and alerts them to problems	Provides lessons, high alerts lights, significant accomplishment or program potential, and offers recommendations for improvement

Source: *Ten steps to a results-based Monitoring and Evaluation System* (p: 13)

Evaluation is defined as (NEPF):

“The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organizations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and to recommend ways forward.”

5.3. *Impact assessment:*

- Appraises the effect of a policy, programme or project and is an “after the fact” procedure;
- Embodies the continuous analysis of the interventions ranging from the design to completion and the subsequent consequences;
- Seeks to measure changes in outcomes (and the well-being of the target population) that are attributable to a specific intervention (NEPF); and
- Informs on the extent to which an intervention should be continued or not, and if any alterations are needed.





According to the United Nations Handbook 2002: impact assessment is the type of evaluation that focuses on the broad, longer-term impact or results, whether intended or unintended, of a programme or outcome. Impact means the foreseen and unforeseen consequences of the project. Assessment here relates to the goal and purpose of the project and requires comprehensive investigation. It may be especially problematic to prove that observable changes are due to a certain project. Different impacts may occur at various times. An evaluation should consider both short- term and long-term effects. Impact evaluation is often undertaken while the project is still in operation. In these cases, long-term impacts may be difficult to predict. An infrastructure project shows quicker impact than, for instance, an educational one.

6. Principles that underpin the MEIA Policy for the Human Settlements Sector

The monitoring and evaluation of all NHSPPPs:

- is development-orientated and thus focuses on the outcomes and impacts rather than only on inputs and outputs;
- is undertaken by utilising accurate and reliable information with respect to:
 - a) progress achieved in the implementation of NHSPPPs, as provided by the PHSDs via regular and updated data captured in the Housing Subsidy System (HSS);
 - b) the collection and presentation of the outcomes and impacts achieved by Government and the relevant Human Settlements Institutions;
- is supported by an Information Management System namely, the Monitoring, Evaluation and Impact Assessment System (MEIA) which is utilised to:
 - a) facilitate ethical data collection and data management processes to produce reliable and accurate data;
 - b) assess transversal indicators; and
 - c) provide the information for reports;

- is supplemented with other officially recognised data sources e.g. STATS SA, Deeds Registry, other national departments etc.;
- endeavours to improve the quality of monitoring and evaluation practices including improvements in the formulation and review of indicators, improved measurement of results, advancing the sectors transparency and accountability, and promoting learning; and
- complies with the requirements of the Government-Wide M & E System.

7. Criteria for monitoring, evaluation and impact assessment

The underlying criteria for the monitoring, evaluation and impact assessment of all NHSPPPs in the Human Settlements Sector will be:

- Relevance to the policy, programmes and projects objectives, content, government priorities, and all the elements of the NHSPPPs being monitored, evaluated or assessed;
- Veracity of the data;
- Verifiability and legitimacy of the data;
- Objectivity of data sources;
- Efficiency of the monitoring, evaluation and impact assessment system;
- Measurability and indicativeness of outputs and outcomes;
- Justifiable within the national developmental priorities;
- Time-bound parameters within which the study is to be conducted;





- Effective in measuring the extent to which the outcome has been achieved and the outputs of the policy, programmes and projects objectives contributed to achieving its intended outcomes;
- Utility with regards to the results of the policy, programme, or project objectives comparing with the needs of the target population
- Sustainability of the positive changes after the programme or project has been terminated

8. Monitoring, Evaluation and Impact Assessment Approaches

The following approaches, inter alia, are utilised when undertaking **monitoring** in the Human Settlements Sector:

- Performance Monitoring;
- Result-Based Monitoring and Evaluation (RB M & E);
- Rapid Appraisals; and
- Case Studies.

It is necessary to note that the focus in M & E practice has now shifted to Results-Based M & E.

8.1. Performance Monitoring

It is a continuous process of collecting and analysing data to compare how well a project, programme, or policy is being implemented against expected results. Performance monitoring is used to keep track of projects or programmes with particular reference to activities, output and financial targets.

8.2. Results-Based Monitoring and Evaluation

Results-Based Management (RBM): A management strategy or approach by which an organisation ensures that its processes, products and services contribute to the achievement of clearly stated results. Results-based management provides a coherent framework for strategic planning and management by improving learning and accountability. It is also a broad management strategy aimed at achieving important changes in the way agencies operate, with improving performance and achieving results as the central orientation, by defining realistic expected results, monitoring progress towards the achievement of expected results, integrating lessons learned into management decisions and reporting on performance (According to the United Nations Handbook, 2009).

Results-based monitoring is a continuous process of collecting and analysing information to compare how well a project, program, or policy is being implemented against expected results.

Results-Based M&E differs from traditional implementation-focused M&E as it moves beyond emphasising inputs and outputs to a greater focus on outcomes and impacts. Results-Based M & E is used to help track progress and demonstrate the impact of a given project, programme or policy and help to answer the following questions:

- What are the Human Settlements goals of Government?
- Are they being achieved?
- How can achievement be proven?

Results-based monitoring and evaluation (RBM & E) will:

- tracks the status and progress made in policies, programmes or projects;
- focuses on the outcome and impact of projects and programmes and policies;
- identifies promising programmes or practices;
- identifies poor performing practices and trigger early action to correct weaknesses;
- provides timely information to the relevant stakeholders;





- allows for greater accountability;
- sets the basis for establishing key goals and objectives; and
- provides a justifiable basis for budget requests.

8.3. Rapid Appraisals

Rapid Appraisals provides:

- immediate feedback on the progress of a given project, programme, or policy at a relatively low cost; and
- the basis for evaluation trends, if projects are not performing as planned.

8.4. Case Studies

Case studies are used when in-depth information is required with respect to what happened with a policy, programme, or project and will imply a trade-off between breadth and depth, in favour of the latter.

The following approaches, inter alia, are utilised when **evaluating** the Human Settlements Sector:

- Diagnostic;
- Design;
- Implementation;
- Impact;
- Economic; and
- Evaluation synthesis

According to the NEFP these evaluation approaches are described as follows:

8.5. Diagnostic

This is preparatory evaluation to determine the current situation prior to implementing an intervention in order to inform intervention design. It identifies likely effectiveness of policy options and enables drawing up of the theory of change before the Human Settlements Sector intervention is designed.

8.6. Design

Design evaluation entails an assessment of the quality of indicators and the assumptions of a programme/intervention and is mostly based on secondary information. Design evaluation is used to analyse the change and uniformity of programmes/interventions, either before a programme starts, or during implementation to see whether the programme is consistent.

8.7. Implementation

Evaluates whether or not (and why) the operation of an intervention supports attainment of the objectives. Implementation evaluation investigates the activities, outputs, outcomes, and use of resources, and can be a rapid assessment based on secondary data or in-depth with extensive field work. This evaluation enables making adjustments to practice in order to improve the efficiency and usefulness.

8.8. Impact

Impact evaluation quantifies changes in outcomes attributable to a Human Settlements sector intervention. Impact evaluations are used to inform on the extent to which a particular intervention should be continued, discontinued, modified, etc.





8.9. Economic

Economic evaluation entails whether or not the costs outweigh the benefits of a particular policy, programme, or intervention. Types include, inter alia: cost-benefit analysis, cost-effectiveness analysis, etc.

8.10. Evaluation synthesis

Evaluation synthesis entails delivering Annual reports that synthesises Human Settlements Sector results of a range of programmes and interventions in order to generalise findings across the sector.

The various types of evaluation link inputs to activities, outputs, outcomes and impacts. Monitoring, evaluation, and impact assessments for the Human Settlements Sector can occur prior to an intervention, during, and after implementation and is thus a process to be carried out throughout the Human Settlements Sector lifecycle. Prior to intervention development (diagnostic evaluation), to verify aims (design), to assess progress and suggest enhancements (implementation), to measure impact (impact), and to compare costs and benefits (economic). Focus will be on priority Human Settlements interventions which have considerable public interest, are strategic, large, and innovative, and necessitate decisions regarding extension.

9. Monitoring and Evaluation Tools, Indicators, Methodologies and Processes

In order to monitor and evaluate effectively the following tools, methodologies and processes are utilised at the appropriate stages:

- Monitoring and Evaluation Implementation Plans;
- Indicators and targets;
- Project Implementation Reviews;
- Various data collection methodologies;

- Verification processes;
- Analysis of data;
- Reports;
- Feedback and dissemination; and
- Standardised systems.

9.1. Monitoring and Evaluation Implementation Plans

Monitoring and Evaluation Implementation Plans are a pre-requisite to any monitoring or evaluation exercise and are used to document and manage planned activities. Monitoring and Evaluation Plans provide the basis for performance by setting out summaries of tasks, timeframes, responsibilities, desired results/outcomes/ impacts, how these will be achieved and how these will be measured, etc. Monitoring and Evaluation Implementation Plans should also be clear about the hypothesis being made.

The Terms of Reference will be aligned to the standards provided by DPME and reflect the objectives, scope, products/deliverables, methodology or evaluation approach, evaluation team and implementation arrangements.

External service providers (where needed) will be selected from the Departments supplier panel as well as making use of DPMEs national panel of approved evaluators.

9.2. Indicators and targets

Monitoring and Evaluation studies are dependent on well-developed sets of indicators which are used to measure the levels of performance against previously determined objectives, aims and targets. They are signposts for change and help measure progress towards realising outputs and outcomes.

Indicators are signals that reveals progress (or lack thereof) towards objectives; means of measuring what actually happens against what has been planned in terms of quantity, quality and timeliness. An indicator is a quantitative





or qualitative variable that provides a simple and reliable basis for assessing achievement, change or performance. Indicators are clues, signs or markers that measure one aspect of a program and show how close a program is to its desired path and outcomes. They are used to provide benchmarks for demonstrating the achievements of a program (Rist 2002: 67).

Indicators seek to measure changes in outcomes (and the well-being of the target population) that are attributable to a specific intervention (NEPF 2011: 9).

The indicators are used are categorised according to their function, as follows:

- Programme and project implementation indicators;
- Institutional change indicators;
- Housing delivery impact indicators;
- Socio-economic conditions indicators;
- Performance indicators, which can be either;
- Quantitative indicators; and
- Qualitative indicators.

Targets are the quantifiable levels of the indicators to be achieved at a given point in time. Target-setting helps to implement strategies for progression.

9.3. Project Implementation Reviews

Aligned to the requirements of the GWM&E System, a peer review processes will also be established for external (and some internal) evaluations to ensure they are credible.

9.4. Data collection

9.4.1 The Housing Subsidy System (HSS)

In view of the fact that the Human Settlements Act requires that the Director General of the National Department of Human Settlements to establish and maintain a National Housing Data Bank and associated Human Settlements Information System, a Transversal Operational System has been operationalised in the nine Provincial Human Settlements Departments to register and administer Human Settlements projects and beneficiaries.

The Division of Revenue Act (DoRA) makes provision for the compulsory utilisation of the Housing Subsidy System (HSS) which consists of various modules to allow Provincial Human Settlements Departments to, for example, manage the Human Settlements budget, administer and register beneficiaries, approve and register Human Settlements projects, provide information on the progress of Human Settlements projects, administer claims and payments and provide reporting services.

NB: PHSDs are therefore required to populate the HSS to comply with the requirements of both the Human Settlements Act and DoRA. Effective and efficient utilisation of the HSS by municipalities, and institutions will also be ensured.

The HSS will, through electronic interface, populate the MEIA System with information or data on beneficiaries, National Human Settlements Programmes and projects as captured on the HSS by Provincial Human Settlements Departments, municipalities, and institutions. It allows the HSS and MEIA System to utilise one source of information for reporting purposes and prevents duplication of capturing activities.

9.4.2. Other Sources of Data

Primary sources of data are obtained from site visits, questionnaires, interviews and surveys, while secondary data is obtained from source reports.





9.5. Data verification

Data is verified via site visits, audits and monitoring studies.

To judge the quality of data, Statistics South Africa's Statistical Quality Assessment Framework (SASQAF) standards will be used, namely: relevance, accuracy, timeliness, accessibility, interpretability, coherence, methodological soundness and integrity.

9.6. Data analysis

Data is analysed by the use of statistical analysis packages.

Baseline analysis describes the situation prior to a development, against which progress can be assessed or comparisons made against implemented programmes, policies, or interventions.

Baseline information (quantitative or qualitative) provides a point of reference for data at the beginning of, or just prior to, the monitoring period. The baselines are used to:

- Learn about recent levels and patterns of performance on the indicator;
- Gauge subsequent policy, programme, or project performance; and
- Enable recording changes to baselines during implementation.

9.7. Reporting

After data is analysed, a comprehensive report is required, based on the information that has been obtained, verified and then analysed. This report takes the form of e.g. an Annual Project Report, Progress or Quarterly Reports, or Project/Programme Reports, etc.

As required by the NEPF, the 1/3/25 reporting rule will be applied. A one page policy summary of key policy messages should be produced, a 3 page executive summary, and a 25 summary report from what might be a very long evaluation report (NEPF).

9.8. Feedback and Dissemination

Feedback forms an integral part of monitoring and evaluation; hence the findings, recommendations and lessons learned will be disseminated to all the relevant role players, in the form of any of the abovementioned reports and shared on relevant websites. A copy of evaluation reports will also be submitted to DPME for lodging on DPME's website.

An End of Assignment Quality Assessment (EAQA) will be conducted to reflect on the process as well as the product of the evaluation, and draw out lessons for future evaluations. Department leadership will:

- Prepare an improvement plan in response to the evaluation following DPME's standard format. This improvement plan will be lodged with Offices of the Premier (if provincial in nature), or DPME (if national in nature).
- Undertake actions necessitated by the evaluation to improve programme, policy, or intervention
- Use findings of the evaluation in subsequent planning and budgeting processes

9.10. Standardised systems

In order to ensure quality of monitoring, evaluation and impact assessments in the Human Settlements sector, DPMEs standardised guidelines will be consulted, namely: terms of reference, contract formats, logic models, programme rules of operation, evaluation processes, improvement plans, etc.

10. Storing and warehousing of Information

A MEIA Warehouse is based on a 'Domain Model', that is consistent with the indicator definitions and in synchronisation with the strategy of the organisation.





Section B: Implementation Framework for the Monitoring, Evaluation and Impact Assessment Policy for the Human Settlements Sector

1. The M&E cycle

Planning, monitoring and evaluation come together as Results Based Management (RBM) often also referred to as Managing for Development Results (MfDR) to emphasize development (United Nations Handbook, 2009). RBM is defined as “a broad management strategy aimed at achieving improved performance and demonstrable results,” (United Nations Handbook, 2009).

Results based monitoring and evaluation has an ongoing life-cycle with constant feedback, learning and modification of plans based on lessons learnt through monitoring and evaluation:

The life-cycle shows that planning, monitoring and evaluation are not necessarily approached in a sequential manner and evaluations do not merely take place at the end of the cycle. There is thus an inter-connected nature of planning, monitoring and evaluation to support results based development.



Source: United Nations Handbook, 2009

2. The Logic Model

Before commencing with M&E studies, the M&E practitioner should familiarise themselves with the broad aspects involved with the flow of the logic model:



The logic model is the theory of change of the plans which clearly identifies the desired achievements and impacts, how these will be accomplished, and how these will be measured. A diagnostic evaluation of the drivers of change and explanation of the causal mechanisms between the activities, outputs, outcomes and impacts are needed in order to evaluate achievements. Plans should identify measurable indicators to be monitored during implementation. The collection of baseline information on indicators and monitoring change to indicators during implementation eases evaluation.

Source: DPME, 2011 (as in National Treasury, 2007)





The goals and objectives map in this framework presents an outline of the Comprehensive Plan strategy from a measurement perspective. It sets the basis for the formulation of key performance indicators for the different levels of results. Essentially, the strategy has been cascaded according to the following different levels:

- Goals and sub-Goals
- Objectives and sub-Objectives

The levels of results have been determined in line with the logic model.

3. Monitoring approaches

3.1. Performance Monitoring

If Performance Monitoring is being undertaken, then the following procedures must include:

- A description of the problem or situation before the intervention;
- Benchmarks for activities and immediate outputs;
- Data-collection on inputs, activities, and immediate outputs;
- Systematic reporting on provision of inputs;
- Systematic reporting on production of outputs;
- Directly linked to a discrete intervention (or series of interventions);
- Designed to provide information on administrative, implementation, and management issues as opposed to broader development effectiveness issues.

3.2. Results-Based Monitoring and Evaluation

When Results-Based Monitoring and Evaluation is undertaken, then the following are essential:

- The establishment of baseline data to describe the problem or situation before the intervention;
- The formulation and selection of outcome indicators;
- Data-collection on outputs and how and whether they contribute toward achievement of outcomes;
- More focus on perceptions of change among stakeholders;
- Systemic reporting with more qualitative and quantitative information on the progress towards outcomes;
- Involvement of strategic partners in planning and carrying out the relevant activities;
- Capturing of information; and
- Reporting.

3.3. Rapid Appraisals

Rapid Appraisals are characterised as a multi-method evaluation approach that use a number of data collection methods that allow for quick, real-time assessment and reporting. Rapid appraisal data collection methods include:

- Key informant interviews;
- Focus group interviews;
- Community interviews;
- Structured direct observation; and
- Surveys





The abovementioned methods are particularly useful in dealing with situations that require:

- descriptive information for decision-making;
- an understanding of the motivations and attitudes that may affect people's behaviour, in particular, the behaviour of target populations or stakeholders in an intervention;
- available quantitative data to be interpreted;
- suggestions and recommendations to be generated; and
- questions, hypotheses, and propositions for more elaborate, comprehensive formal studies to be developed.

Rapid appraisals are relevant to the timely production of management-focused evaluation information. Rapid appraisals produce information quickly and at a relatively low cost. These appraisals can provide a quick turn-around to see whether projects, programmes, and policies are basically on track.

3.4. Case Studies

Case studies can:

- be used to illustrate a more general condition;
- be exploratory when little is known about an area or problem;
- focus on critical instances (high success or terrible failure of a programme);
- examine select instances of implementation in depth;
- look at programme effects that emerge from an initiative; and
- provide for broader understanding of a condition when, over time, the results of multiple case studies are summarised and a cumulative understanding emerges.

4. Monitoring and Evaluation Tools, Indicators, Methodologies and Processes

The most commonly used Monitoring and Evaluation methods include:

- Quasi-experimental design methods for time series analyses,
- implementation surveys,
- structured interviews,
- process analyses,
- qualitative approaches (participatory evaluations and beneficiary assessments),
- Project Implementation Review (PIR) - assess implementation progress and the likelihood of attaining the projects' objectives.

These methods for monitoring and evaluation are employed separately or together to provide, differentially, conclusive but complementary evidence on programme and project performance and impact. The most appropriate methods to be employed will be determined by the circumstances to be monitored or evaluated.

4.1. *Monitoring and Evaluation Implementation Plans*

According to the Guide for project M&E: 2000: p8; Monitoring and Evaluation Implementations plan is an overall framework of performance and learning questions, information gathering requirements (including indicators), reflection and reviews events with stakeholders, and resources and activities required to implement a functional M&E system.

The Monitoring and Evaluation commences with the preparation of Monitoring and Evaluation Implementation Plans (pre-design and design) which contain, inter alia, the following elements (as aligned to DPMEs NEPF):

- monitoring and evaluation preparation;





- developing a Terms of Reference (TOR) with clear statements of the project goals, objectives, outputs and inputs;
- objectively verifiable indicators;
- baseline measures for indicators;
- assumptions on internal and external risks;
- enabling activities;
- adequate funding;
- sources of information to measure progress;
- Data quality and availability judged using Statistics South Africa's SASQAF standards;
- templates for reporting (See Annexure A for an Example of a Template for Reporting); and
- selecting service provider (where relevant).

4.2. Indicators

Monitoring and Evaluation studies are dependent on well-developed sets of indicators which are used to measure the levels of performance against previously determined objectives, aims and targets.

Indicators that are used in programme studies, evaluations and cross-cutting reviews are reflected in the Project Performance Reports, such as quarterly reports, business plans, etc.

NB: Indicators for monitoring and evaluation were determined, in consultation with the relevant role-players at the national and provincial levels as well as from the Human Settlements Institutions involved in delivery of Human Settlements.

4.2.1. The aims of indicators:

- provide the basis for before-and-after analyses;
- describe the effects of programme and project interventions whether they are anticipated or intended or not;
- measure progress achieved in terms of the Comprehensive Plan's broad programme objectives and to aggregate results achieved through individual projects';
- gauge the levels of performance against previously determined aims, objectives, etc.; and
- provide a quantifiable means to monitor the sector's projects and non-project activities at a strategic level.

4.2.2. Categories of indicators

Indicators are categorised according to their function, as follows:

- Programme and project implementation indicators enumerate the delivery of technical services, operating funds, and capital inputs with related disbursements and outputs generated;
- Institutional change indicators demonstrate capacity development, attitudinal and awareness shifts, and policy reorientations;
- Housing delivery impact indicators demonstrate the accomplishments of the Comprehensive Plan;
- Socio-economic conditions indicators link Human Settlements delivery results and impacts with the consequences of project interventions;
- Performance indicators can either be:
 - Quantitative: indicators are objective indications which are numeric and are presented as numbers or as a percentage, e.g., the number of projects approved per financial year; and
 - Qualitative: indicators are subjective, are used to supplement the numbers and percentages provided by the quantitative indicators. Qualitative data emerge from case studies, observations, opinions and attitudinal surveys and may be expressions from words, pictures or other objects.





4.2.3. Monitoring tools

- Questionnaires;
- Reports;
- Business plans;
- Surveys / studies;
- Lessons learnt;
- Letters;
- Newsletters;
- MEIA documents; and
- Housing Subsidy Systems (HSS).

4.2.4. Formulation of Performance Indicators

The process for developing Performance Indicators for the Human Settlements Sector included, but was not limited to, the following activities:

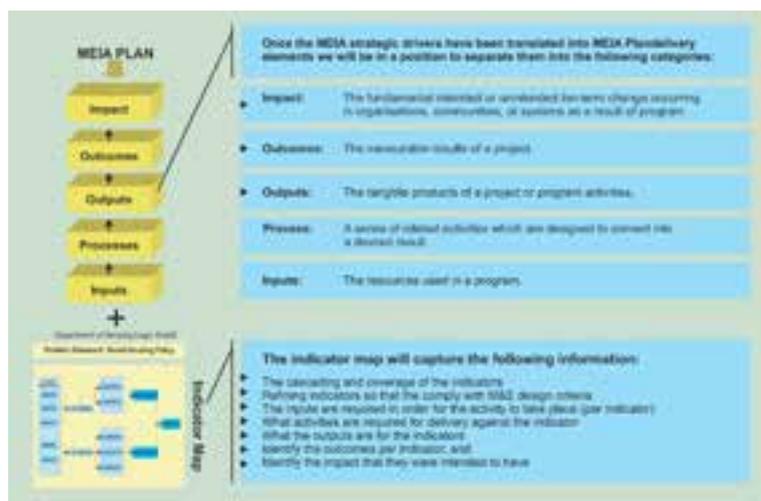
- Review of the Comprehensive Plan document;
- A review of the Business Plans linked to Comprehensive Plan;
- A review of the Departmental Strategic Plan; and
- Consultations with various NDoHS representatives to get a sense of how the strategy has evolved as well as how the Comprehensive Plan has been translated into operational plans.

4.2.5. Levels of Indicators

There are four levels of indicators (inputs, outputs, outcomes and impacts), namely:

- **Inputs:** Inputs are the resources that are needed to implement the project and its activities. Inputs can be expressed in terms of the people, equipment, supplies, infrastructure, means of transport, and other resources needed. Inputs can also be expressed in terms of the budget that is needed for a specific project or activity.
- **Outputs:** Outputs are the immediate results of the activities conducted. They are usually expressed in quantities, either in absolute numbers or as a proportion of a population. Outputs are generally expressed separately for each activity.
- **Outcomes:** Outcomes are the medium-term results of one or several activities. Outcomes are what the immediate outputs of the activities are expected to lead to. Outcomes are, therefore, mostly expressed for a set of activities. They often require separate surveys to be measured.
- **Impact:** Impact refers to the highest level of results, to the long-term results expected of the project. Impact, therefore, generally refers to the overall goal or goals of a project.

The performance indicators are mapped on the indicator map, which provides an overview of the indicators that have been formulated in order to ensure that the Department of Human Settlements is able to measure achievements at each one of the levels of results. The indicator map is developed on the basis of the logic model and consideration has been given to the current as well as the development of new indicators in instances where there are gaps.





4.2.6. Results chain

The results chain illustrates that there is a logical pathway from one level to the next, as illustrated hereunder:



Typically, inputs (e.g. money, equipment, resources) are needed to implement activities. Activities that are implemented, lead to activity outputs (e.g. persons trained, workshops conducted). In turn, a series of activity outputs, if implemented correctly, should lead to some results or outcomes (e.g. number of households benefiting from the subsidy). In the long-term, changes in outcomes should lead to impact being achieved (e.g. reduction in the Human Settlements backlog).

4.2.7. Steps to formulate Indicators

Step 1: Identify what needs to be measured

Look at one of the results statements and decide what could be measured to see if this result has been achieved or not or if conditions have changed. There are usually many possible indicators for any desired outcome, but some are more appropriate than others. In selecting the appropriate indicator do not settle too quickly on the first that came to mind. It is better to start with a list of alternative indicators that can be assessed against a set of selection criteria.

Step 2: Assess potential indicators

Indicators must be:

- Measurable - can the indicator be measured;
- Practical - can data be collected on a timely basis;
- Reliable
- Useful - can management use it to assist with decision making
- Direct

- Sensitive
- Responsive
- Objective
- Adequate
- Capable to be disaggregated
- Reflects progress

Step 3: Determine the level of results that the indicator measures

The Indicators will also measure processes, products and services contributions.

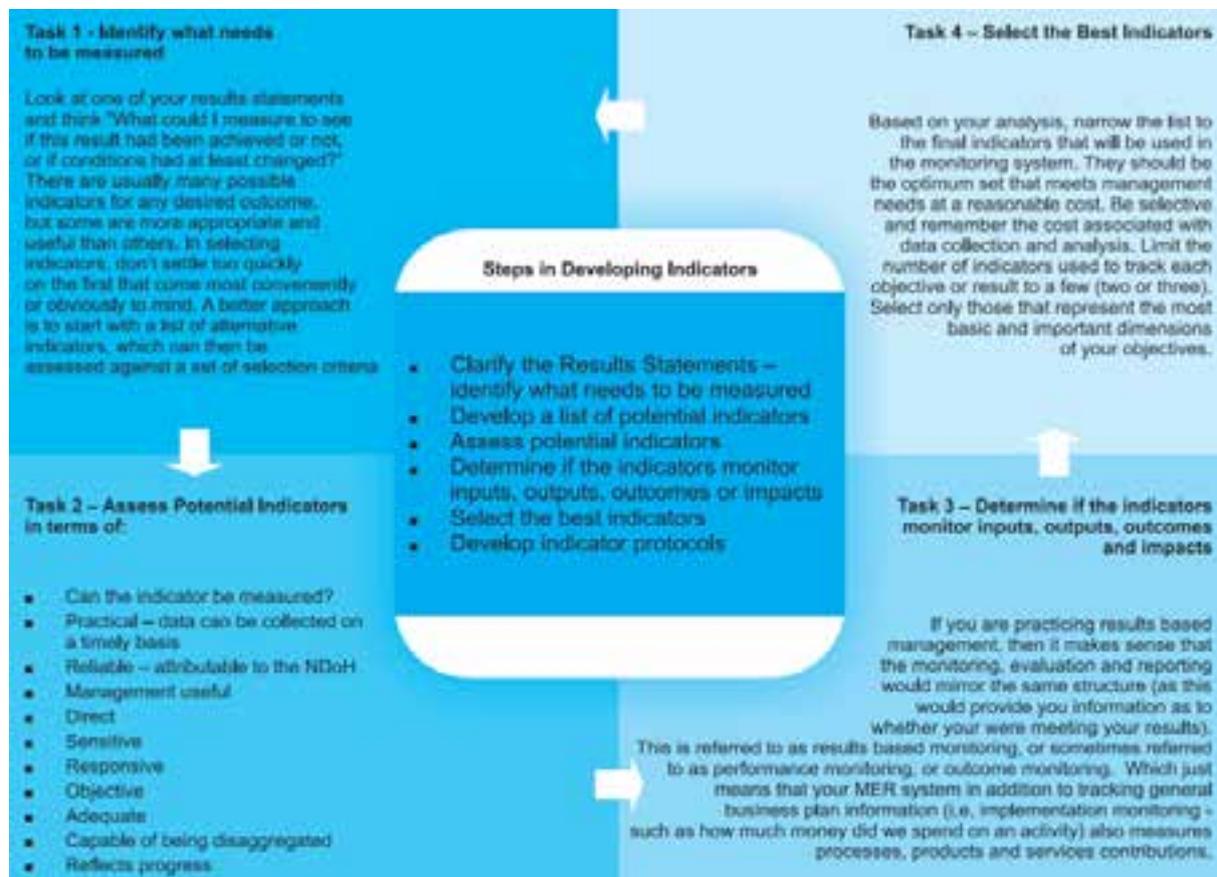
Step 4: Select the best Indicators

Narrow the list of indicators to those that will meet management's needs at a reasonable cost. Limit the number of indicators to track each objective or result to a few that represents the most basic and important dimensions of the objectives.

The following prioritisation criteria are proposed in order to narrow down the list of indicators:

- Active (currently being reported on)
- Cross-cutting (used as indicator for multiple grants)
- Availability (data source exists and can be sourced)
- Ease of attainment
- Degree of importance for M&E





5. Setting Baselines and Targets

5.1. Baselines

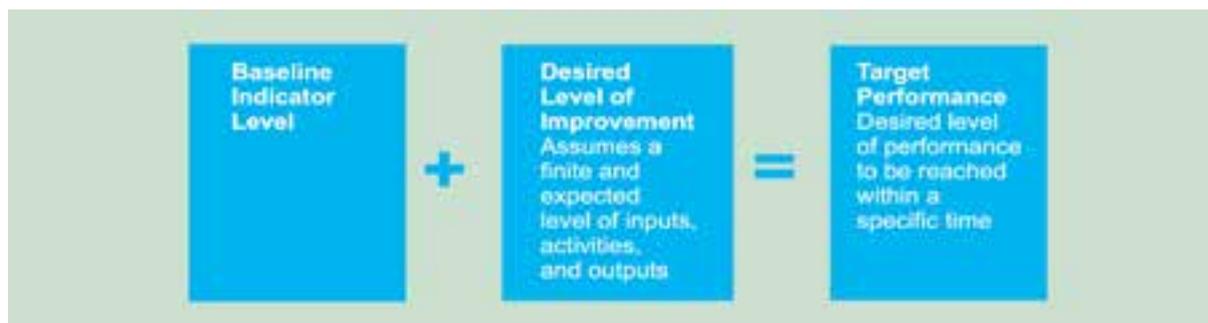
A performance baseline is information (quantitative or qualitative) that provides data at the beginning of, or just prior to, the monitoring period.

The baseline is used to:

- Learn about recent levels and patterns of performance on the indicator; and to
- Gauge subsequent policy, programme, or project performance.

5.2. Targets

Targets are the quantifiable levels of the indicators that an organisation wants to achieve at a given point in time.



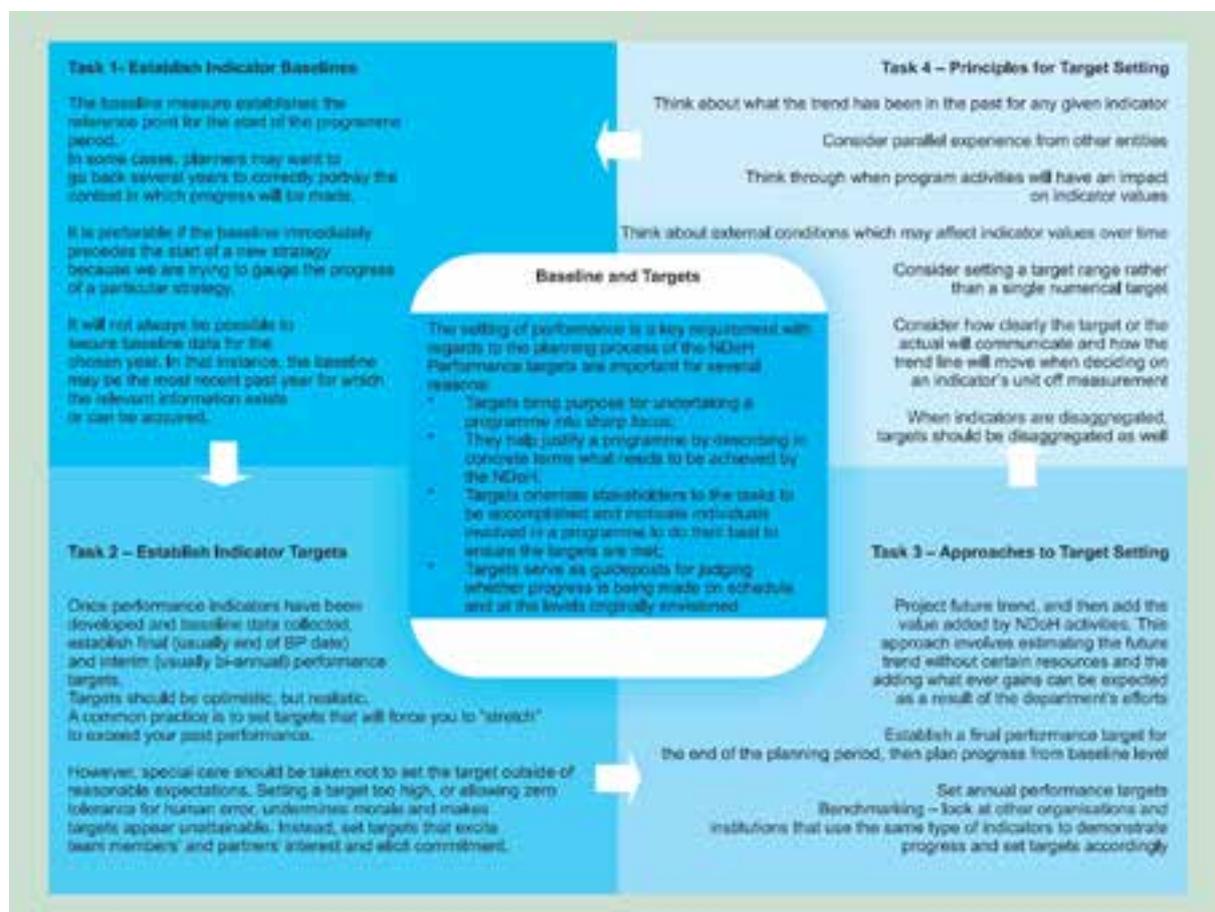
Source: Jody Zall Kések & Ray C. Rist, *ten steps to a results based monitoring and evaluation system*, World Bank Washington, DC, 2004, page, 91.





There are a number of factors that need to be considered in setting targets. The list below provides some of these factors:

- Clear understanding of baseline starting point (e.g. average of last 3 years, last year, average trend, etc.);
- Funding and level of personnel resources expected throughout the target period;
- Amount of outside resources expected to supplement the programme's resources;
- Political concerns;
- Institutional capacity;
- Only one target is desirable for each indicator;
- If the indicator is new (not previously used) be careful in setting firm targets (use a range);
- Most targets are set yearly, but some could be set quarterly; others set for longer periods (not more than 5 years);
- It takes time to observe the effects of improvements; therefore, be realistic when setting targets;
- A target does not have to be one, single numerical value, it can be a range;
- Consider previous performance;
- Take your baseline seriously; and
- Targets should be feasible, given all the resource (input) considerations.





6. Data collection, verification, compilation and analysis

These processes entail the following:

- Data can be sourced from either primary or secondary sources;
- Primary sources of data will be obtained from site visits, questionnaires, interviews and surveys;
- Secondary data is obtained from source reports; and
- Data is verified via site visits, audits and monitoring studies.

The following elements follow the Monitoring and Evaluation Implementation Plans (pre-design and design) (as aligned to DPMEs NEPF):

- Implementation:
 - Inception phase: evaluators to finalise evaluation object and theory of change, scope, questions, methodology, process, reports, cost and payments
 - Set-up advisory/steering group
 - Management and support with regular technical meetings and briefings of senior managers or political principals
- Peer review and validation

7. Reporting

After data is analysed, a comprehensive report will require to be written based on the information that has been obtained, verified and then analysed. This report could be e.g. annual project report, progress or quarterly reports, or project/ programme delivery reports. The following elements following peer review (as aligned to DPMEs NEPF) will be followed:

- Recommendations and management response:
 - Evaluators draw up recommendations with the users;
 - Users analyse the findings and recommendations; and
 - Management responds to the findings and recommendations.
- Communicating results:
 - Apply the 1/3/25 rule - a one page policy summary of key policy messages, a 3 page executive summary, and a 25 page summary report from what might be a very long evaluation report;
 - Develop strategy to disseminate evaluation report; and
 - Submit a copy of the evaluation and the management response to DPME.

8. Feedback and Dissemination

8.1. Feedback

An essential and integral part of monitoring and evaluation is the feedback and dissemination of the analyses, findings, recommendations, and lessons learned. This calls for clearly identified tasks, resources for their implementation, designated dissemination responsibilities, and identification of the needs of the end users. It requires using techniques that promote and facilitate the integration of findings and lessons into NDOHS's programmes and projects and, more broadly, into all related efforts that advance the achievement of global benefits.





The following follow-up elements (as aligned to DPMEs NEPF) will be followed:

- Prepare an improvement plan in response to the evaluation following DPME standard format;
- Undertake the necessary actions to improve delivery;
- Monitor implementation of the improvement plan and report to DPME/Offices of the Premier on a 3 monthly basis on progress on implementing the plan; and
- Use findings of the evaluations in subsequent planning and budgeting processes.

8.2. Dissemination of results

The main components of dissemination strategies to be developed include:

- Transparency in the availability of information from monitoring and evaluation activities;
- Ease of access to relevant monitoring and evaluation information, as required by decision-makers and other users, including full disclosure of non-confidential information;
- Special initiatives to engage policy and operations decision-makers and programme stakeholders in internalising the lessons from experience and best practices;
- Requirements for the use of lessons and best practices in the development of new policies and projects;
- Systematic action on the follow-up of findings and recommendations that flow from the M&E programme
- Some of the main dissemination techniques will include:
 - Preparation of reports, summaries, and abstracts; and
 - Electronic information systems.

An End of Assignment Quality Assessment (EAQA) will be conducted to reflect on the process as well as the product of the evaluation, and draw out lessons for future evaluations.

9. Results-Based Evaluation Systems

9.1. Evaluation Approach and types

The following DPME Evaluation Model sets out the processes for effective evaluation.

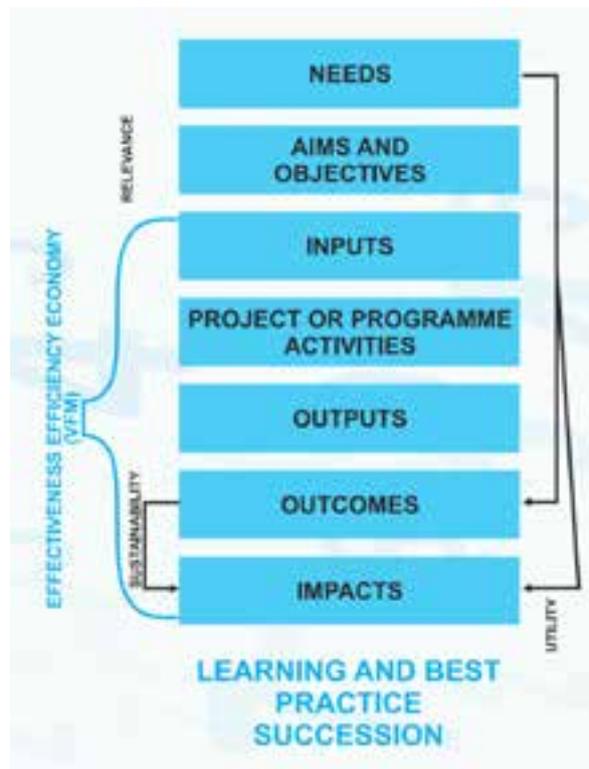
There are various approaches of evaluations that are used by evaluation practitioners. The approaches below are useful for ongoing evaluations:

- Evaluation of need
- Evaluation of process
- Evaluation of efficiency
- Evaluation of the outcome

Evaluations are often mistaken for only occurring at the end of an intervention. According to the NEPF, different forms of evaluation should be undertaken at different phases, from prior to an intervention (e.g. ex-ante evaluation), during an intervention (e.g. to check whether the activities are leading to outputs, and outputs to outcomes), and after the intervention (ex-post evaluation).

DPME has set standard types of evaluations to be used across government in South Africa in order to establish a common language and set standard procedures.

The set of types of evaluation, contained in the NEPF, is based on the base model which links inputs to activities, outputs, outcomes and impacts.





Results-driven evaluation types (as outlined in the NEPF) will be used to evaluate National Human Settlements Programmes and they can, inter alia:

9.1.1 Diagnostic evaluation

- be undertaken at key stages prior to design or planning;
- ascertain the current situation prior to implementing an intervention;
- inform intervention design;
- identify problems and opportunities to be addressed; and
- assist with drawing up theory of change before designing the intervention.

9.1.2. Design evaluation

- be undertaken after an intervention has been designed in the first year and possibly later;
- analyse theory of change, inner logic and consistency of an intervention/programme;
- be based on secondary information;
- be used to assess the quality of indicators;
- be used to determine if policies/programmes/interventions have clear objectives; and
- test assumptions.

9.1.3. Implementation evaluation

- be undertaken once or several times during operation of the intervention;
- improve efficiency and efficacy of operational procedures;
- evaluate whether operational mechanisms support achievement of objectives and why;

- look at activities, outputs and outcomes, as well as use of resources and causal linkages;
- identify if the steps involved in delivery a service are efficient;
- builds on existing monitoring systems;
- Assesses the quality of indicators and assumptions; and
- be undertaken in the form of a rapid assessment (primarily using secondary data) and/or in-depth with extensive fieldwork.

9.1.4. Impact evaluation

- be designed early on with a baseline;
- be checked at key intervals e.g. 3/5 years;
- seek to measure change in outcomes (and well-being of target population);
- inform high-level officials on extent to which an intervention should be continued or not;
- identify intervention modifications required;
- be implemented on a case-by-case basis; and
- Measures how target populations' lives have changed as a result of a programme or policy.

9.1.5. Economic evaluation

- be initiated at any stage;
- consider whether the costs of a policy/programme have been outweighed by the benefits;
- considers whether the programme is providing value for money;





- entail cost-effectiveness analysis which values the costs of implementing and delivering the policy and relates this amount to the total quantity of outcome generated to produce a “cost per unit of outcome” estimate (e.g. cost per additional individual placed in employment); and
- entail Cost-Benefit Analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment).

9.1.6. Evaluation synthesis

Be done after numerous evaluations are completed. It entails synthesising the results of a range of evaluations to generalise findings across the Human Settlements Sector.

It is therefore critical that the Department schedules periodic evaluations of programmes and projects dependent on requirements. It is envisaged that the Department will carry out the following kinds of evaluation:

Presentation of periodic evaluations

PRESENTATION OF PERIODIC EVALUATIONS	
Internal Informal Evaluation reviews/ Periodic Self Assessments	Organisations need to conduct internal reviews of performance information at regular intervals during the year to assess progress toward achieving the results. This type of evaluation is often informal and can be done quarterly at staff meetings but needs to be based on performance data (results form indicator data collection) as well as staff observation of projects and programs. Internal evaluations provide the opportunity for organisations to review specific projects and their contribution towards larger program results and the outcomes of the evaluation should be used to make early adjustments or refinements in tactics or implementation strategies.
Mid-term evaluations	Mid term evaluations provide recommended actions to prompt mid-course adjustments in the last half of the program. To the degree possible mid-term evaluations should be participatory in nature and include stakeholder (customer) analysis of programs.
Final Evaluations	Final Evaluations may be required or planned for some projects but should also be considered as a way to review and update your business plan.
External Evaluations	The department may require (and may be required by their own rules) an external evaluation. This means the department will hire a person or team to look at the activities, processes, outputs, outcomes, and impacts of your project or program. External evaluations can be very beneficial to an organization as they call for third party analysis (often thought to be less biased) and bring in fresh perspectives. Organisations still have a key role to play in external evaluations as you need to ensure that evaluators understand the objectives of your program, your approach (results framework) what you think is working well, and is not working well and how you are responding (fixing it). Make sure to request a copy of the results so you can use this information internally.





9.2. *Planned evaluations*

Since Human Settlement Programmes are of significant public interest, all programmes and projects should be evaluated on a 5 year cycle. In practice, due to limited capacity, this will start with large interventions and priorities. Factors to be considered for prioritising evaluations, are interventions that are (as outlined in NEPF):

- large (in budget or footprint) linked closely to priority outcomes;
- of strategic importance(for which it is important that they succeed);
- innovative (from which learning is needed);
- of significant public interest;
- faced with real concerns about its design; and
- requiring decisions to be made about continuation of the programme.

Rolling three year and annual national and provincial evaluation plans will be developed by DPME and the Offices of the Premier and entail identifying the minimum evaluations to be carried out, while the Department of Human Settlements will carry out additional evaluations as it sees fit.

The evaluations underway from the 2012/13 plan are:

- Implementation Evaluation of the Integrated Residential Development Programme (IRDP): To draw out lessons in order to assess the strength of the programme and how best to improve it to achieve the desired outcome.
- Implementation Evaluation of the Urban Settlements Development Grant (USDG): To analyse the theory of change, inner logic and consistency of the programme. In addition, the evaluation will assess the quality of indicators, programme assumptions and whether the programme is implemented as designed.

The evaluations planned for 2013/14 are:

- Setting a baseline for future impact evaluations for the informal settlements targeted for upgrading: The upgrading of informal settlements responds to Outcome 8 “Sustainable human settlements and improved quality of household life”. Sub-output 1 addresses the upgrading of households in informal settlements with access

to secure tenure rights and basic services. There is no estimated budget and the evaluation will establish the number of poor households that are targeted for the upgrading.

- Evaluating interventions by the Department of Human Settlements to facilitate access to the city: The White Paper on Housing of 1995 (A New Housing Policy and Strategy for South Africa) acknowledged the increasingly urban nature of South Africa's landscape and the fact that even those who reside in rural areas will at some time in their life spend time in a town or city. The question of whether or not the housing programmes of the Department have increased access to the urban space addresses indirectly the issues reflected in Outcome 8, including access to land, the property market, informal settlement upgrading and the acceleration of access to housing. There is no specific budget allocated to efforts of providing access to the city. Thus far over 15 million people have benefitted from the housing programme
- Diagnostic evaluation of whether the provision of state-subsidised housing has addressed asset poverty for households and local municipalities: The 1995 White Paper on Housing highlighted the importance of creating assets that households can leverage to improve their lives and that of their children. The building of integrated human settlements (outcome 8) deals with an improved property market through the creation of assets. Over 15 million people have benefitted from the government housing programme

The National Evaluation System will be used in undertaking evaluation in the Human Settlements sector (for instance producing Improvement Plans, making the results available in the public domain, implementing findings, obtaining technical support and quality control for evaluations from the DPME, attending appropriate training courses established, etc). To ensure quality evaluations, DPMEs specific guidance notes and guidelines setting standards for evaluation to complement the NEPF will be utilised. These include:

- Guideline for Drafting Terms of Reference and template for Terms of Reference for Steering Committees
- Template for an Evaluation Project Plan
- Guideline for Peer Reviews
- Draft template for departmental evaluation plan
- Guideline for inception phase of evaluations





10. The storing and warehousing of information

10.1. Rationalising an updated Monitoring, Evaluation and Impact Assessment (MEIA) system

The current 2010 M&E module in the HUiMS is implemented as a Microsoft ASPX.NET web application, written in C# or VB.NET, with supporting libraries as COM objects. It uses metadata database, initially implemented as a Microsoft Access and or SQL Server 2005 database. The M&E module reads its configuration information, such as HTTP paths and metadata database connection, from the existing HUiMS Meta-data implementation. Remote clients should have MS Office Web Components installed. The Meta-data is based in MS Access and integrated with current HUiMS definitions of functionality for topic and content management, filtering and dimensions, and display of content.

The System is currently hosted on an intranet platform (meaning people outside NDoHS Network cannot access it), and needs to be enhanced to cater for users outside NDoHS Network. To control the issue of data integrity, relevant users with appropriate authorisations can input data. Using the M&E application first requires registration approved by the M&E Technical support team where user names and passwords are allocated, the registration is done over the <http://huims> (intranet). Different roles/rights are provided to the applicants (e.g. the USER roles where the user has only access to view DATA only).

The current module also cannot automatically calculate results, such as an increase in budget spent from one year to the next, nor can it produce reports automatically. As such, the current M&E module is not being populated to the desired degree. The 2010 module also only allows some users to add/remove data from the system.

Furthermore, due to the introduction of the USDG and Outcome 8, as well as the incorporation of the Sanitation Programme to the Department, the 2010 module is being reviewed in order to ensure alignment to the new developments within the Department. The review of the 2010 module includes enabling Provincial Human Settlements Departments, Metros, and Institutions to access and utilise the module. Without the inclusion of the new developments and access to all intended users, each reporting requirement is leading to the development of new and separate data collection and monitoring systems. This is leading to overlapping, duplicate and parallel data collection and monitoring systems being created, which is to be avoided, through the creation of an updated all inclusive reviewed M&E module.

The updated module will enable reporting to be done automatically and will allow all staff as well as Provincial Departments of Human Settlements, Metro's, and Institutions to be able to launch it. The updated system will also be coded to automatically assist in compiling reports to eliminate time so that once data is updated in the system (by National, Provinces, Metros, Institutions, etc), reports can be produced immediately. In short, the updated module will assist with ensuring that the Department complies with regulations by using a single point of entry for reporting.

10.2. Monitoring, Evaluation and Impact Assessment (MEIA) system

The primary focus of the updated MEIA module, on a conceptual level, is the Indicator Protocol, which guides and informs the system development process. In this conceptual model, the most important aspect deals with the need to establish a Goal Hierarchy, which, in turn, is measured by way of a collection of Indicators in predefined roles. The Indicator Protocol thus serves as one of the primary sources of business requirements for the system's development process.

The conceptual model is utilised to do the following:

- Consistently and reliably define, maintain and adjust the definitions for indicators, the goal hierarchies that they support, and the interrelationships between them;
- Allow MEIA practitioners to manage the definitions of indicators against a validated schema or model that avoids duplication of data (for example, by providing validated look-up lists of qualifiers such as 'Data Sources' or 'Evaluation Methods'. Several of these validated lists exist.
- Allow a scheme whereby the calculation methods and data sources for each indicator can be standardised to a common basis, and where integrity and consistency in reporting are assured because of this.

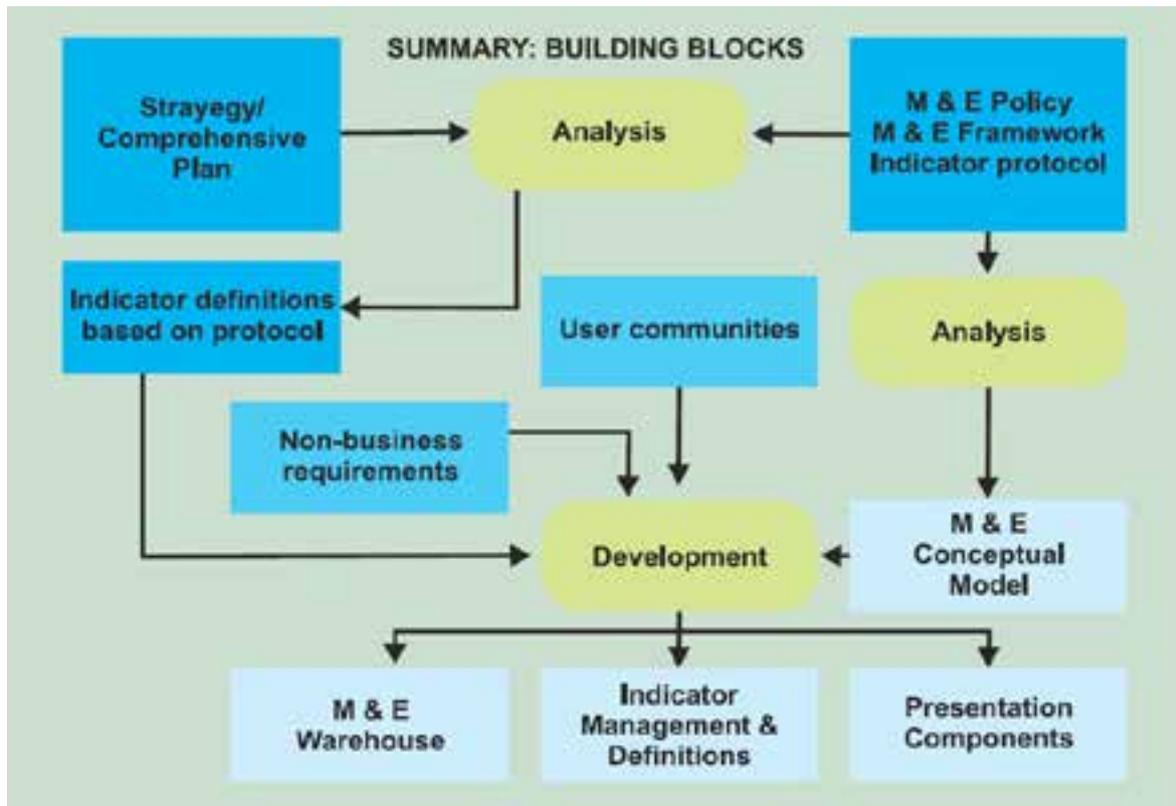
In addition, MEIA is driven primarily by the requirements of Management in National Department of Human Settlements in order to be able to:

- Report (on indicators) consistently and from a single, validated data source;
- Assist with the identification of problems on the basis of exception management - which for a complex and large decision support environment, is a prerequisite.





Presentation of MEIA building blocks model



10.3. Establishment of a Repository for MEIA Indicator Data

In relation to the M & E module as part of the HUIMS is a central data source which combines data from various systems/databases (e.g. HSS database, Provincial databases, Budget Module Database, Planning Module Database, EPWP Database as well as National Housing Deeds information). The MEIA Warehouse is established, based on a 'Domain Model', that is consistent with the indicator definitions and in synchronisation with the strategy of the organisation.

Data is migrated to the MEIA Warehouse as follows:

- Directly from operational and planning systems, without validation or human intervention. This is obviously the ideal but it is not always feasible or desirable;
- In cases where known deficiencies exist, an interim process is established whereby base data can be obtained directly from operational and planning systems (to the extent that it is available), but where qualified and noted adjustments are made on the basis of validation. This process is not compulsory, but must be available;
- In cases where operational or planning systems do not exist; a provision for manual data capturing into the MEIA Warehouse must be provided.

If data can be extracted from existing resources, HUIMS will serve as a ready dissemination channel and content management portal for the indicator reporting function. The benefits of this are:

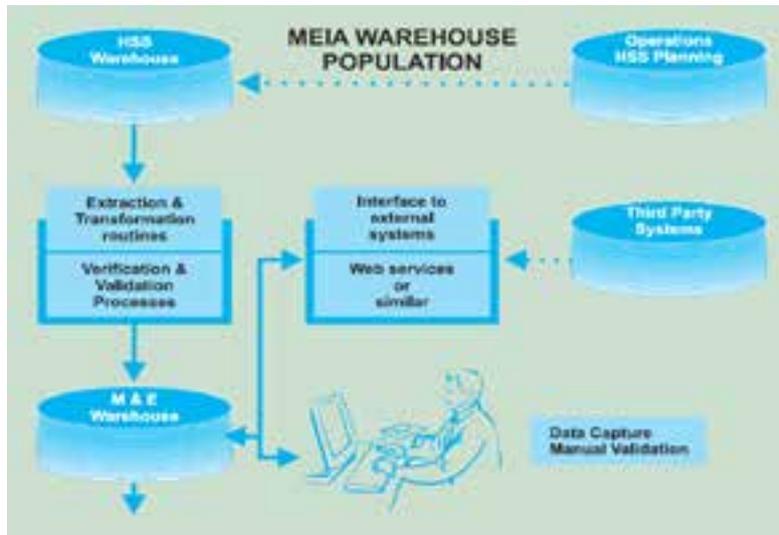
- Existing presentation methods (charts, tables, maps, dashboards) can be used as is or can be adjusted with little rework to present indicator detail views and summaries;
- HUIMS already makes provision for integration with warehouse technology and multi-dimensional data (of which the MEIA Warehouse is a specific case).
- User communities, user registration, validation, and authentication methods exist already and can be used in their current form;
- Existing 32-bit frameworks (such as that in use for the Budget Module and Strategic Planning Modules) can be re-used for the Indicator maintenance module and the manual data capture modules;
- MEIA will align with NDoHS Systems Architecture, Engineering processes and guidelines.

The access to the data is controlled by authorizations maintained within the ROLES Database. Relevant users with appropriate authorizations can access data via MS SQL server 2005 database or any SQL-based tool. With the help of Application interface (The HUIMS Systems), the users have the ability to export the results to other software programs (e.g., Microsoft Excel) and manipulate the data locally. The results may also be joined with local data.

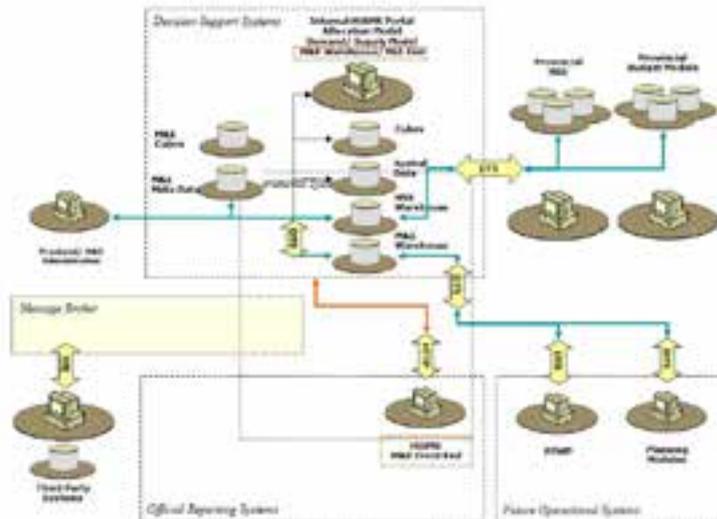




Presentation of MEIA warehouse population



Presentation of MEIA warehouse population



10.4. Validity and reliability of data

Once a year as policies, strategies and programmes get approved; additional indicators will be disseminated through the MEIA system.

MEIA system data will be audited annually. Provincial Human Settlements Departments, Metro's and Institutions will be required to support data audits. Data audits will be followed up by monitoring visits. The validation of data will be utilized to determine whether the gathered information is used to measure what it is intended to measure. e.g. to determine if the quarterly performance reports measure the actual performance of a particular Province. Each province metro and institution will submit performance reports after the end of each quarter and the M & E unit within the Department will then validate and analyze the reported information against the signed business plan submitted during the first quarter.

NDoHS engage in content management tasks where content is updated periodically. Data verification tasks where data received from relevant directorates or provinces is checked against the Captured data in the system (HuIMS). Since the directorates and provinces are HUIMS sources of data this task is necessary to deal with possibilities of human error and other forms of report contradiction. The task for targets verification even though is deemed to be done by other directorate within the NDoHS (e.g. Planning Section) is at times performed by M and E directorate itself. Relevant users with appropriate authorizations update the system.

In this framework the following types of validity and reliability methods will be utilized:

- **Face validity**, occurs where something appears to be valid. This of course depends very much on the judgment of the observer. In any case, it is never sufficient and requires more solid validity to enable acceptable conclusions to be drawn. Measures often start out with face validity as the researcher selects those which seem likely to prove the point.
- **Content validity**, occurs when the experiment provides adequate coverage of the subject being studied. This includes measuring the right things as well as having an adequate sample. Samples should be both large





enough and be taken for appropriate target groups. Content validity is related very closely to good experimental design. A high content validity question covers more of what is sought. A trick with all questions is to ensure that all of the target content is covered (preferably uniformly).

- **Criterion-related validity**, examines the ability of the measure to predict a variable that is designated as a criterion. A criterion may well be an externally-defined 'gold standard'. Achieving this level of validity thus makes results more credible.
- **Concurrent validity**, measures the relationship between measures made with existing tests.
- **Inter-Rater reliability**, which is used when multiple people are giving assessments of some kind or are the subjects of some test, then similar people should lead to the same resulting scores. Inter-rater reliability thus evaluates reliability across different people.
- **Test-Retest reliability**, is an assessment or test that a person should give the same results whenever you apply the test. Test-retest reliability evaluates reliability across time.
- **Parallel-Forms reliability**, evaluates different questions and question sets that seek to assess the same construct. One problem with questions or assessments is knowing what questions are the best ones to ask. A way of discovering this is do two tests in parallel, using different questions. Parallel-Forms evaluation may be done in combination with other methods, such as Split-half, which divides items that measure the same construct into two tests and applies them to the same group of people.
- **Consistency reliability** will also be used. When asking questions in research, the purpose is to assess the response against a given construct or idea. Different questions that test the same construct should give consistent results. Internal consistency reliability evaluates individual questions in comparison with one another for their ability to give consistently appropriate results.

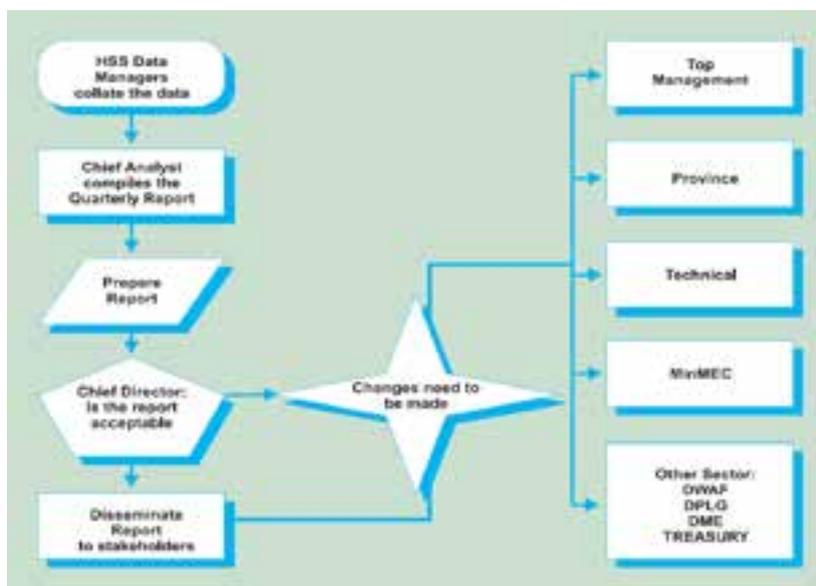
11. Production of reports

11.1. Standard reports

HUIMS Technical Team utilizes Business intelligent tools to query data, this happens once data has been updated within the MEIA System, therefore standard reports are extracted from the system within 15 days after the end of the quarter under review. The following periodic information products are produced:

- Quarterly Reports
- Annual Reports
- Mid-year Reports
- Periodic Information System Updates

Presentation of the reporting channels





Reports provide information on performance result areas against a specific indicator. Every report contains accumulative data for the year and the results of the current quarter to allow trend analysis of the individual indicators. The System allows reports on a combination of indicators related to for example, the same Goal or Sub-goal. In addition, reports are available on specific pre-defined themes.

The purpose of quarterly reports is to provide an overview of service coverage and performance in the last quarter and to better inform management of the interventions, where gaps are and how to maximise resource utilisation. The Annual report on the other hand provides a comprehensive overview of the National Department of Human Settlements' performance in respect of the Comprehensive Plan. This is done by reporting on all indicators contained in the national MEIA Guidelines, and by providing key observations and guidance for future implementation. This report is procedurally linked to the Comprehensive Plan and the Provincial Business Plan planning and budgeting process to ensure that the information is actually used for decision-making.

11.2. Critical documents to be prepared by Provincial Human Settlements Departments

The critical documents that the Provincial Human Settlements Departments need to prepare for the effective implementation of this framework are:

- Annual Business Plans,
- Annual Performance Plans,
- Lists of active and funded projects for the financial year, and
- Budget (grant allocation with cash flow projection and monthly expenditure reports).

11.3. Ad Hoc Information Needs

In addition to the specific information products listed above, some stakeholders might have particular information needs. The National Department will assist if there are any specific and ad hoc information needs that are not covered in the general information products.

Such a request should be made in writing to the Chief Directorate: Monitoring and Evaluation and it will then be considered. The Department will respond in writing to the request for ad hoc information within 5 working days of receiving such a request. The response will include:

- An acknowledgement that the request has been received
- Confirmation of whether the Department has the data/skills to provide the information that has been requested
- If the Department is able to provide the information that is requested, the time frame involved in preparing the information
- The name of the contact person at the Department who will handle this information request and submit the necessary information

All ad hoc requests will be kept on file and if repeated requests are received for information not currently included in the general information products, the general information product will be revised and an additional information product will be introduced to include the information requested repeatedly.





12. Role of Stakeholders

12.1. National Department of Human Settlements

The National Department of Human Settlements will:

- Conduct monitoring and evaluation continuously by assessing the performance of the National Human Settlements Programmes
- Design appropriate key performance indicators for monitoring purposes. Capture meaningful results (output and outcomes) regardless of the unit of analysis used by a monitoring and evaluation plan
- Alignment of the monitoring and evaluation systems and ensure uniformity of reporting amongst Provincial Departments and other role players within the chain of Human Settlements delivery
- Monitoring of Provincial and other stakeholders progress reports against the delivery of services on quarterly basis and make recommendations
- Monitoring and evaluating the impact and outcomes of the Departmental programmes. National Department is expected to collect data and information through consultations groups with the relevant source of particular programmes
- Monitoring and evaluating Human Settlements Institution business plans and indicators to ensure compliance with set standard. Human Settlements Institution provides National Department of Human Settlements with progress reports and officials responsible would analyse information provided and conduct evaluations studies where there is a need
- Analysing of reports such as annual report and business plans of other supporting institutions. This will improve M&E reporting during delivery to ensure compliance, quality control and progress by implementing monitoring and evaluation system. Ensure accountability for non-performance and financial discrepancies

- Regularly visit Provinces to make follow-ups to verify and validate Human Settlements delivery. Aspects that are not satisfied can be easily rectified and addressed and the delivery process will not be hampered. It looks for “what is going well” and “what is not progressing in terms of progress towards intended results. Tools used in this regard might be field visit, etc.
- Tracking progress and performance based on the methodologies and procedures. The most valuable aspects of tracking performance are to verify performance of indicators specifically on the baselines and targets
- Assessing the relevance, performance and success of the Human Settlements programmes
- Provide training to Provinces and municipalities for the MEIA systems. Attend and participate in the workshops, bilateral meetings (M&E task team) and keep them abreast with the development of monitoring and evaluation. The capacity can be identified by conducting needs analysis, client surveys and focus groups
- Write reports to the managers based on the recommendations and lesson learned when conducting monitoring & evaluation and impact assessment

12.2. Provincial Departments of Human Settlements

The provincial departments of human settlements will:

- Undertake necessary measures to support municipalities effectively in order to ease the implementation process, and will further define and clearly explain policy procedures to all municipalities;
- Consult with relevant directorates to collect data and keeping record on the system. They will conduct day-to-day monitoring of the projects to track progress. This can be achieved through field visits;
- Capture information on the system and avoid duplication of the data. They will also assist with the deployment and installation of new software at municipalities to be utilised when additional IT equipment or systems have been purchased by municipalities to enhance the provincial database;





- Vigorously supervise and monitor municipalities effectively when human settlements allocation processes unfold. The provincial departments also undertake to maintain and manage the provincial human settlements allocation and demand database policy processes, and to provide detailed information on any relevant issue that relates to the provincial human settlements allocation processes;
- Ensure joint cooperation with the provincial inspectorate directorate to quantify whether information gathered is reliable, accurate and appropriate for reporting purposes;
- Assess the extent to which programmes have or had a desired impact, in which areas these are effective, and where corrections need to be considered;
- Monitor the number of works inspectors to allow regular inspections of all approved human settlements projects. If there are enough work inspectors, all projects will receive regular inspection. This would ensure quality control and monitoring, and enforcement of minimum standards;
- Take all reasonable and necessary measures to support and strengthen the capacity of municipalities effectively in order to ease the implementation process. They will train municipalities with respect to future changes which may occur to the human settlements demand database;
- Coordinate human settlements development in the province and supervise and monitor municipalities when conducting programmes or projects; and
- Compile beneficiary lists for the municipality involved, specifying the area where the human settlements project will take place and the number of beneficiaries to benefit from the initiated project.

12.3. Municipalities

Municipalities will:

- Process and track the necessary information required by the monitoring and evaluation framework;
- Ensure system linkages with the provincial system to provide adequate information to the national Department;
- Constantly have meetings with stakeholders involved in building houses to be briefed on their challenges, and will provide reliable information to update the Department of Human Settlements at large;
- Establish a reliable filing system that will ensure that all historical records are retained in a safe location;
- Monitor the quality of houses before the house can be transferred to the beneficiary; and
- Capacitate staff on a quarterly basis to ensure that they are well informed about the changes in the human settlements mandate.

12.4. Housing Support Institutions

These institutions will:

- Monitor their own performance and provide reports to all three levels of government;
- Adhere to the national norms and standards enshrined in the Human Settlements Code and to the role and responsibilities of the various stakeholders who are involved in the delivery process;
- Provide municipalities with reliable, accurate and valid data at all times; and
- Provide their business plans to the national and provincial departments and the municipalities.





13. Measuring achievement of goals

Through the National Department of Human Settlements, the Minister is responsible for evaluating the performance of the human settlements sector against the set goals, equitableness and effectiveness requirements, and take the necessary steps to create an environment conducive to enabling provincial and local governments, the private sector, communities and individuals to achieve their respective goals in human settlements development and to promote the effective functioning thereof.

The reviewed MEIA Policy and Implementation Framework and reviewed MEIA system enables monitoring and evaluation of National Human Settlements Policies, Programmes and Projects (NHSPPPs) and, aligned to the logic model (see part 2 Section B), completes the loop by prioritising and aligning indicators to enable evaluation of the performance of the human settlements sector against the following goals of the Comprehensive Plan strategy:

- Goal 1:** Accelerating the delivery of housing as a key strategy for poverty alleviation
- Goal 2:** Adjust institutional arrangement and processes internal to Government and external to Government
- Goal 3:** Ensuring property can be assessed by all as an asset for wealth creation and empowerment
- Goal 4:** Leveraging growth in the economy by utilizing the provision of housing as a major job creation strategy
- Goal 5:** Eradicate crime and corruption in the Housing delivery process
- Goal 6:** Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy/slump
- Goal 7:** Utilising Housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring



Section C: Monitoring, Evaluation and Impact Assessment (MEIA) Programme and Project Specific Tools for the Human Settlements Sector

1. Human Settlements programmes, and projects

The MEIA Policy (Section A) and Implementation Framework (Section B) for the Human Settlements Sector, sets the basis for monitoring and evaluation in the sector, and establishes principles to guide the sector to undertaking monitoring and evaluation, while this section provides monitoring and evaluation Human Settlements practitioners with the tools to evaluate National Human Settlements Policies, Programmes and Projects (NHSPPPs).

The background, rationale, reporting indicators, performance agreements and reporting timeframes of the following Human Settlement Sector programmes and projects are provided in this Section in order to provide Human Settlement practitioners with the tools to undertake their tasks:

- Medium Term Strategic Framework (MTSF) 2014-2019
- Multi Year Development Plans Guidelines
- Human Settlements Development Grant (HSDG) and provincial specific programmes
- Urban Settlements Development Grant (USDG)
- Municipal Human Settlements Capacity Grant (MHSCG)
- Human Settlements in Mining Towns
- Catalytic Projects
- Equitable share
- Environmental Implementation Plan (EIP)
- Institutions





2. Medium Term Strategic Framework (MTSF) 2014-2019

2.1. National Development Plan (NDP) 2030 Vision and Trajectory

Our human settlements trajectory proposes that, 'by 2050 visible results from effectively coordinated spatial planning systems shall have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and necessary infrastructure'. By 2030 we strive to achieve measurable progress towards breaking apartheid spatial patterns with significant advances made towards retrofitting existing settlements offering the majority of South Africans access to adequate housing, affordable services in better living environments, within a more equitable and functional residential property market.

In order to achieve this vision the National Development Plan directed the following actions be taken:

- Respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency
- Review housing policies to better realise constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households
- Develop a more coherent and inclusive approach to land i.e. develop overarching principles for spatial development
- Revise the regulations and incentives for housing and land use management
- Radically revise the housing finance regime
- Build capabilities for transforming human settlements
- Develop bolder measures to develop sustainable human settlements

These actions should be achieved by the Department of Human Settlements within the context of fulfilling its mandate expressed in Section 26 of the South African Constitution (*Act 108, 1996*) which states:

‘Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right’.

In the realisation of this right the Department of Human Settlements take into cognisance other embedded rights such as the right to an environment that is not harmful to health or well-being (Section 24), the right to clean water (Section 27) and the right to property (Section 25). In addition, South Africa, as a member of the United Nation, has an obligation to meet the agreement expressed in the Sustainable Development Goals, which states ‘halve the proportion of people living in slums by 2030’. The country is also expected to continue realising the obligations in the Millennium Development Goals that state ‘by 2020 a significant improvement in the lives of at least 100 million slum dwellers will be achieved’. Government should ensure access to drinking water, access to improved sanitation facilities, secure tenure, sufficient living area and durability of housing.

There is an acknowledgement that the sustainability of human settlements, our residential areas rely on good infrastructure such as public transport, water, energy sources, and public spaces and accessibility of essential community services such as schools, shops, healthcare, and facilities for families and children. Therefore a strategy for human settlements should strives for the establishment of a viable, socially and economically integrated communities, located in areas allowing convenient access to economic opportunities as well as health, educational and other social amenities.

At the core of the 2014 - 2019 Medium Term Strategic Framework is a need to lay a foundation for transforming the functioning of human settlements and the workings of the space economy by acknowledging that the fabric of human settlements consists of physical elements and services to which these elements provide the material support. Therefore the 2014 - 2019 Medium Team Strategic Framework will focus on reforms aimed at achieving the following:

1. Ensuring that poor households have adequate housing in better living environments
2. Delivering settlements that are spatially, socially and economically integrated
3. Supporting the development of a functionally and equitable residential property market
4. Improving institutional capacity and coordination for better spatial targeting





2.2. Constraints and strategic approach

Twenty years into democracy, towns and cities remain fragmented, imposing high costs on households and the economy. The delivery of some additional 3.8 million subsidised houses offered adequate shelter to poor people and also helped contribute to an unprecedented tenfold growth in value to a historical racially distorted property market. However the market's enormous price cliffs act as barriers for most black South Africans to progress up the property ladder and thus exclude their effective participation in the property market. This is exacerbated by the disproportionate income levels particularly of those living below the income band (gap market). The settlements locations too far from economic opportunities have also put a burden to costs related with transport and other services.

Despite the progress achieved in housing delivery, major challenges regarding sustainable human settlements development still exist. The country's human settlements patterns remain dysfunctional across the country, the housing market is fractured with inequitable access to its workings and benefits and there is still an on-going property affordability problem across various sub-markets. The weak spatial planning and governance capabilities; uncertain prospects of densely settled and historically dislocated rural-like homeland areas, the need to ensure continued provision of housing and infrastructure and social services (addressing asset poverty) to meet a complex set of housing affordability needs; and the need to reactivate strong social solidarity amongst communities in building vibrant and safe settlements and thus the building of capable and confident citizens.

To address these challenges, the 20 Year Review proposes a need to develop an urban development strategy to make urban spaces liveable, equitable, sustained, resilient and efficient as well as to support economic growth and social cohesion. To advance the human settlements development agenda, the NDP contains a series of interconnected interventions required to address economic solutions, institutional reforms, change to land management systems and infrastructure investment. It is envisaged that by 2030, measurable progress shall be made towards breaking apartheid spatial patterns, developing more coherent and inclusive approach to land and significant progress would be made in addressing the fractured housing market.

A series of steps have been identified to fulfil this intention. This begins with reviewing and evaluating the existing housing subsidy instruments to improve targeting and combining programmes to catalyse spatial, social and

economic transformation and integration of settlements. Under the integrated residential subsidy programme, the transfer of all title deeds for all subsidy units over the next 5 years will be prioritised.

The informal settlement upgrading programme will be scaled up and a more coherent multi-segmented social rental housing programme which includes backyard rentals will be put in place. In addition, the affordable market will be tackled in a more determined fashion with a particular emphasis on a constructive engagement with the private sector to improve delivery. For the success of the planned housing and human settlement programme reforms, significant institutional reforms to improve the coordination of housing and human settlement development will be put in place. This includes strengthening major municipalities' capabilities, and in particular metropolitan government, to integrate the housing grants and the human settlement-making grants more robustly, given the accreditation of the housing function to them. This will also be supported by an improved interface of the housing and human settlement planning elements with the spatial planning frameworks driven within other parts of government, to guide investment decisions so that they result in more integrated human settlements. In turn, this would result in growth in the value of the property market with a more equitable distribution of its benefits.

2.3. NDP output priorities to achieve the Vision

In order to achieve the vision of sustainable human settlements and improved quality of household life the DHS will drive effective programmes to achieve the following:

- Adequate housing¹ and improved quality living environments
- A functionally equitable residential property market
- Enhanced institutional capabilities for effective coordination of spatial investment decisions

2.4. Management of Implementation

The Department of Human Settlements will manage the implementation of the MTSF and will coordinate with the Social and Economic Clusters, and report progress through MinMec, Technical MinMec, Human Settlements Technical Implementation and Human Settlements Delivery and Coordination Forums established by all three spheres of government.

¹ *With secure tenure, access to basic services and within sustainable settlements.*





2.5. MTSF sub-outcomes and component actions, responsible ministry, indicators and targets

Sub-outcome 01: Adequate housing and improved quality of living environments					
Action	Minister	Indicator		Baseline	2019 Target
Evaluate, review and improve existing housing instruments and subsidy regimes to better direct housing and human settlement investments, fast-track delivery and ensure affordability and diversity of the product and finance options	DHS Support: DCoG, DRDLR, NT	Current policies and programmes evaluated, reviewed and consolidated and suitable new policies and programmes developed:		Existing policies and programmes	By 2018 all new and revised policies and programmes will be approved to the following projected schedule:
		a)	Human Settlements Green Paper approved	White Paper on Housing	Approved by 2015
		b)	Develop a coherent and inclusive approach to land for human settlements	To be determined based on several policy and programme initiatives	Policy for Coherent and Inclusive Approach to Land for Human Settlements approved by December 2015
					Framework on coherent and inclusive approach to land developed by March 2015
c)	Evaluation of key human settlements strategic thrusts as outlined in the National Development Plan and the Manifesto	National Development Plan (NDP)	Seven evaluations of key human settlements strategic thrust as outlined in the National Development Plan completed by 2017 <ul style="list-style-type: none"> • USDG: September 2014 • Assets: October 2014 • Access: October 2015 • UISP Baseline: February 2015 • UISP 3-year Impact Evaluation: 2017 • Social Housing: September 2015 • Affordable Housing: December 2015 		

Sub-outcome 01: Adequate housing and improved quality of living environments

Action	Minister	Indicator	Baseline	2019 Target
		d) Housing finance regime framework revised	Housing Finance Framework	Housing Finance Framework revision approved by last quarter 2015/16
		e) Human Settlements White Paper approved	White Paper on Housing	Approved by June 2016
		f) Housing Act amended and Human Settlements legislation approved	Housing Act	Approved by 2017
		g) Housing Code revised and Human Settlements Code approved	Housing Code	Approved by 2018
		h) Cooperatives Policy approved	DTI Policy for Coops	Approved by March 2015
		i) Implementation guidelines for self-built housing (PHP) approved	PHP Policy	Approved by March 2015
		j) Comprehensive Rental Policy developed	Current Rental Policy	Approved by March 2015
Increase the supply of housing opportunities using different tenure types to ensure the diversity necessary to address social, economic and cultural needs	DHS Support: DRDLR, DPW, DST, DSD, DEA	Implementation Strategy to increase the supply of housing opportunities for affordable housing market (i.e. subsidy and gap market) developed	No baseline	Implementation Strategy to increase the supply of affordable housing by March 2015





Sub-outcome 01: Adequate housing and improved quality of living environments				
Action	Minister	Indicator	Baseline	2019 Target
		Institutional capacity for PHP to support informal settlement upgrading and rural housing enhanced	Policy and programme for self-built housing (PHP) cross-referenced to NUSP and HDA programmes	Consolidation of the institutional capacity for self-built housing (PHP) and all informal settlement upgrading support programmes completed by March 2015
		Programme to support community-based, cooperatives, non-profit rental and self-built housing developed	White Paper on Housing Act	Programme developed by September 2015
	DHS Support: DRDLR, DPW, DST, DSD, DEA, DMR	Number of housing opportunities in quality living environments		1,495 million housing opportunities in quality living environments provided by 2019
		a) Number of existing Informal settlements assessed	450 (NUSP)	2 200 informal settlements upgraded to phase 2 by 2019
		b) Number of households benefiting from informal settlements upgrading	290 000 previous performance (2010/11 – 2013/14)	750 000 households assisted through the Informal Settlements Upgrading Programme by 2019 (including mining towns)
		c) Number of housing units for subsidy housing sub-market provided	Average of 125 000 per annum of the previous performance	560 000 individual units for subsidy housing sub-market provided by 2019 (This includes units for military veterans)
		d) Number of affordable housing loans for new houses in the affordable-gap housing sub-market	Total banks over 4 years: 162 800 NHFC: Mortgage loans: 2 219 Wholesale: 27 891 Leverage: 89 442 NURCHA: Units 10 093	110 000 (70 000 FLISP and 40 000 DFI supported) affordable housing units for the affordable-gap housing sub-market supported by DFIs by 2019
		e) Number of affordable rental housing opportunities	Social: 20 429 CRU: 15 225 Institutional: 2 249	35 000 affordable rental housing opportunities provided through private sector (Mineworker housing at 10 000; and private affordable rental 25 000)

Sub-outcome 01: Adequate housing and improved quality of living environments

Action	Minister	Indicator	Baseline	2019 Target
	DHS Support: DRDLR, DPW, DST, DSD, DEA, DMR	f) A special strategy for mineworker housing		Draft Strategy by September 2014 (27 000 state led social housing and 10 000 CRU)
		g) Backyard rental strategy	To be determined with DMR by August 2013 Draft Position Paper by SALGA	Mechanism or strategy with incentives to support increased and improved backyard rental by 2019
Fast-track release of well-located land for housing and human settlements targeting poor and lower middle-income households	DHS Support: DPW, DPE, DRDLR, DCoG	Hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households	11 308 ha (well-located and strategic – to be determined)	10 000 of hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households
Include access to basic water, sanitation, roads and energy infrastructure and services in new developments	DHS Support: DWS, DCoG, NT, DST	All new developments have basic infrastructure and services (water, sanitation, roads and energy infrastructure and essential services)	905 744 (over 5 years: average of 181 148 per annum)	All new state housing developments benefiting about 560 000 households have access to basic water, sanitation, energy and road infrastructure and services
			447 780 (to be verified by the Expenditure Review)	
Address current infrastructure and basic services backlog in existing settlements	DWS & DCoG Support: DHS, NT, DST	Number of households with access to basic services and infrastructure	To be determined by DWS & DCoG	1,1 million households have access to infrastructure and basic services backlog by 2019
		Number of households provided with adequate sanitation facilities	To be determined by DWS & DCoG	1.2 million households provided with adequate sanitation facilities by 2019





Sub-outcome 01: Adequate housing and improved quality of living environments				
Action	Minister	Indicator	Baseline	2019 Target
Implement projects that ensure spatial, social and economic integration	DHS Support: DRDLR, NT, DCoG	Framework to ensure spatial, social and economic integration (spatial targeting) of human settlements developed	To be determined based on the NSDP, the NDP and DORA allocation formula	Framework for spatial investment in human settlements developed by 2014
		Multi-year Human Settlements Development Plans that support spatial targeting, social and economic integration	To be determined	A consolidated Multi-year Human Settlements Development Plan by 2015
		Number of lead catalytic projects that demonstrate spatial, social, and economic integration	To be determined (using 12 priorities and criteria to be defined)	50 lead catalytic projects that demonstrate spatial, social and economic integration implemented by 2019
Provide support for economic development in identified hubs, nodes and linkages to be developed in historical black townships (and where identified in new developments)	NT in collaboration with DCoG, municipalities and DRDLR Support: DHS, EDD	Support framed through the structure of HSDG and USDG projects for the development of hubs, nodes, and linkages developed in historical black townships	To be determined based on evaluation of the USDG and reviews of the NPDG and current CSP and completed by February 2014	Human settlements projects implemented alongside hubs, nodes and in historical black townships and in new developments
Develop minimum standards and finance options for investment in public spaces	DHS Support: NT, DCoG, DPW	Minimum standards and finance options for investment in public spaces developed	To be determined in line with above by February 2013	Standards and finance options for investment in public spaces developed by March 2015
		Yearly allocation invested in public spaces targeting poor and lower middle-income households	To be determined on formula above	15% of USDG projects and 50% of HSDG projects identifying allocation invested in public spaces between 2014 and 2019

Sub-outcome 02: A functionally equitable residential property market

Action	Minister	Indicator	Baseline	2019 Target
Consolidation of the Development Finance Institutions (DFI)	DHS, NT	Single Development Finance Institutions (DFI)	-3 DFIs (with review of HDA and NHBRC)	Single Development Finance Institution by September 2015
Develop and implement a strategy to increase the supply of affordable housing – refer to Sub-outcome 1	DHS Support: NT, DPME	A strategy to increase the supply of affordable housing developed	Refer to Sub-outcome 1	A strategy to increase the supply of affordable housing developed by March 2015
Diversify finance options and products for the affordable-gap market in particular	DHS Support: NT, DPME	Review current finance products for the affordable housing market (e.g. existing DFI products, FLISP, MDI, etc.)	To be determined in line with Expenditure Reviews and Affordable Housing Evaluation	New state support finance products in the affordable market by March 2016 (Post DFI consolidation and review through Expenditure Review Instruments operated through and with National Treasury/DPME by March 2015 and Evaluation by December 2015)
		Increase in volume of home loans granted (over and above that which produces new houses) by private sector and DFIs to households in the affordable housing market	To be determined	20% increase loan transactions by 2019





Sub-outcome 02: A functionally equitable residential property market				
Action	Minister	Indicator	Baseline	2019 Target
Intensify home-ownership education programmes for the affordable housing market	DHS	Curriculum on the property market and home-ownership for the subsidy housing market reviewed and improved	Existing Current Consumer Education Programmes and that which was agreed to in the FSC	Curriculum for home-ownership targeting the subsidy and the affordable-gap housing market reviewed and improved by November 2014
		Market information for buyers and sellers in the affordable (subsidy and gap) housing market developed	To be determined	Market information for affordable housing market developed by 2014
		Consumers in the affordable and subsidy housing market exposed to consumer education programmes	To be determined	2 million consumers reached between 2014 and 2019 400 000 consumers reached by March 2015
		Effective housing consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market	To be determined	Annual report on trends in the affordable property market (Sourced from EAAB reports)
Establish transactional support for affordable housing market	DHS	Transactional support requirements and programmes in the affordable housing market developed	To be determined	Requirements and programme for transactional support developed by March 2014
		Distribution of sales transactions in the affordable housing market monitored	To be determined	Distribution of sales transactions in the affordable housing market monitored quarterly from 2015
		Estate agencies operating in the affordable housing market	To be determined	30% increase in estate agencies operating in the affordable housing market by 2019
Monitor and reporting transactions in the secondary housing subsidy sub-market	DHS	Transactions in the secondary housing subsidy sub-market	To be determined	Quarterly reports on transactions in the secondary housing subsidy sub-market

Sub-outcome 02: A functionally equitable residential property market

Action	Minister	Indicator	Baseline	2019 Target
Collect, analyse and disseminate information on property trends and values in the affordable housing market	DHS	Households in the affordable housing (particularly subsidy) market have access to biannual property valuation information	To be determined	Framework, implementation and reporting mechanism to inform households in the subsidy sub-market on their property values
				Biannual property value information published
Develop policy and administrative systems that support individual transactions in the affordable secondary housing market	DHS	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed	To be determined	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed by March 2015
		Sales restriction for government housing subsidy sub-market reviewed	Housing Act	Review on sales restriction for government subsidy completed by March 2015
Issuing of title deeds form part of housing development process	DHS	Title deeds issued to new home-owners in the subsidy sub-market on occupation	To be determined based on the current 50% of processing	560 000 title deeds issued to new home-owners in the subsidy sub-market Mechanism for security of tenure record for informal settlement upgrading
		Backlog on title deeds eradicated	To be determined (estimated between 900 000 and 1 495m)	(900 000) title deeds backlog eradicated by 2019 Plan of action to address title deeds backlog completed by March 2015: Number of outstanding transfers confirmed by March 2015
		All new title deeds for subsidy sub-market endorsed consistent with policy	Existing policy and Housing Code	Policy on endorsement of title deeds for the subsidy sub-market finalised by September 2014





Sub-outcome 02: A functionally equitable residential property market				
Action	Minister	Indicator	Baseline	2019 Target
Analysis of new housing units constructed in the entire residential property market	DHS	Trends in the residential building plans passed by municipalities and completed housing units reported	To be determined	Quarterly reports on trends in the residential property market published
		Trends in new NHBRC enrolments	To be determined	Quarterly reports on trends in new NHBRC enrolments
Increase in the number of properties in the subsidy housing sub-market entering the municipal rates roll		Number of rateable properties in the subsidy housing sub-market entering the rates roll of municipalities	To be determined	28 (metros and secondary cities) municipalities report annually on the number of households in the subsidy sub-market entering the municipality rate roll by 2019

Sub-outcome 03: Enhanced institutional capability for effective coordination of spatial investment decisions

Action	Minister	Indicator	Baseline	2019 Target
Strengthen programme for the accreditation of municipalities	DHS	Municipalities accredited to perform the housing function	No baseline	20 municipalities accredited to perform the housing function by 2019 8 metropolitan municipalities accredited to perform the housing function by 2019 12 secondary cities and/or towns/district municipalities accredited to Level 3
		Municipalities in secondary cities accreditation to Level 2 Municipalities accredited to Level 1	14 municipalities 49 municipalities	8 municipalities in secondary cities accredited to Level 2 by 2019 21 municipalities (balance of 49 priority municipalities) accredited to Level 1
Develop a monitoring and support programme for municipalities that have been accredited	DHS	Post-assignment and post-accreditation monitoring and support programme implemented	To be determined	Post-accreditation monitoring and support programme implemented in 8 metros and 12 secondary cities/district municipalities by 2019
Implement technical capacity programmes for human settlements development	DHS	Appropriate technical support programmes developed and implemented		Appropriate support programmes implemented by 2015





Sub-outcome 03: Enhanced institutional capability for effective coordination of spatial investment decisions				
Action	Minister	Indicator	Baseline	2019 Target
Increase the participation of stakeholders in housing development by encouraging community-based organisations, civil society organisations, and other forms of non-governmental entities	DHS	100 community-based organisations, civil society organisations, and other forms of non-governmental entities participating in human settlements development	To be determined	100 community-based organisations, civil society organisations, NGOs, etc. participating in human settlements development by 2019
Strengthen current mechanism to mobilise private sector to contribute to human settlements development	DHS	Mechanism and incentives to mobilise and increase private sector participation is developed	To be determined	Mechanism s to incentivise and mobilise private sector investment implemented by 2019
		Develop mechanism to track employer-assisted housing both in the public sector and in the private sector, including commitments in the SLPs as per the Mining Charter		Mechanisms to track employer-assisted housing developed by August 2015, including commitments in the SLPs as per the Mining Charter (December 2014)

Sub-outcome 03: Enhanced institutional capability for effective coordination of spatial investment decisions

Action	Minister	Indicator	Baseline	2019 Target
Develop horizontal and vertical consultative mechanisms among spheres of government responsible for economic, environmental, social and human settlements policies and programmes	DHS	Multi-year human settlements development plans are aligned with other sectorial spheres of government to increase coordination and collaboration in programme delivery (refer to Sub-outcome 1)	To be determined	A consolidated Multi-year Human Settlements Development Plan by 2015 (refer to Sub-outcome 1)
		Inter-sectorial collaboration agreements signed and implemented	To be determined	Enhanced consultative mechanisms in different spheres of government





Sub-outcome 03: Enhanced institutional capability for effective coordination of spatial investment decisions				
Action	Minister	Indicator	Baseline	2019 Target
Review planning system to achieve better spatial targeting	DHS	Set of overarching principles and norms for housing and human settlements spatial development completed	To be determined	Set of overarching principles and norms for human settlements spatial development completed by June 2015
	DHS	Housing programme and related human settlements spatial investment framework to guide coordination of spatial investments developed	To be determined	Housing and related human settlements spatial investment framework – to guide wider coordination of spatial investment – approved by 2015
	DHS	Integrated housing and related human settlements planning system developed incorporating environment, human settlement, transport, and related human settlement development functions drawing on existing National Treasury and DCOG settlement investments	To be determined	Housing and related human settlement planning system developed and approved by December 2015
	DHS	Housing and related human settlements component contributing to a national spatial mechanism to coordinate existing grants to produce definitively targeted spatial interventions developed	To be determined	Housing and Human Settlements Grant framework restructured by October 2015
	Presidency	National Spatial Development Framework and mechanism to coordinate government-wide (spatial) investment decisions	To be determined	National Spatial Development Framework developed by 2017
Develop an M&E system to measure effectiveness of spatial targeting in human settlements	DHS	Monitoring and evaluation (M&E) system to track and assess the effectiveness of spatial targeting in human settlements developed and implemented	To be determined	Track progress and assess the effectiveness of spatial targeting in human settlements between 2015 and 2019

2.6. Impact indicators

Impact indicator	Minister responsible for reporting on the indicator	Baseline	2019 Target	Year 1 Target
Number of households living in adequate housing	Human Settlements	11.2m	An additional 745 000 households living in adequate housing through the subsidy and affordable housing segments (market numbers still to be determined)	149 000 households in rental and individual ownership for subsidy and affordable housing segments
Improved housing conditions for households living in informal settlements	Human Settlements	1.2 m households	750 000 households upgraded	150 000 households upgraded
Number of functional settlements that are spatially, socially and economically integrated (both new and revitalised)	Human Settlements	To be determined (including reviewing MIG, USDG, NPDG and SDBIP/IDP review)	250 (approximately 50% of all projects) projects implemented to provide all-inclusive amenities and public transport, to address spatial, social and economic integration by 2019 (for both new and revitalised settlements)	50 (approximately 50% of annual projects delivered by the NDHS) projects implemented to provide all-inclusive amenities and public transport, to address spatial, social and economic integration (for both new and revitalised settlements)
Increase in volume of home loans granted by private sector and DFIs to households in the affordable housing market and the creation of new units	Human Settlements	485 198 transactions by DFIs and banks	20% increase in the volume of 485 198 or 582 238 loans to the affordable market. This includes the production of 350 934 new affordable units	116 448 loans which will produce 70 187 new affordable housing units
Percentage of sales transaction of properties worth less than R500 000	Human Settlements	50% of all transactions were properties worth less than R500 000 and 47% were in historically black townships	20% increase in transaction of properties worth less than R500 000	





Impact indicator	Minister responsible for reporting on the indicator	Baseline	2019 Target	Year 1 Target
Growth and distribution of value in the residential property market	Human Settlements	To be determined	Increased number of rateable properties entering the rates roll of municipalities	184 000 rateable properties entering the rates roll
Number of metros accredited with the housing function	Human Settlements	0 municipalities accredited with the housing function by 2014	8 metros and 12 secondary city municipalities/ district municipalities accredited with the housing function	8 metros assigned the housing function in 2015; (then approximately 3 municipalities per annum accredited to Level 3 of the housing function)
Number of municipalities accredited with Level 2 and provided with post-accreditation support	Human Settlements	8 municipalities accredited to Level 1 and 14 municipalities accredited to Level 2	Additional 21 municipalities accredited to Level 1 and additional 8 accredited to Level 2	Additional 8 municipalities accredited with Level 2 and provided with post-accreditation support
Investment decisions in human settlements improve spatial efficiency	Human Settlements	To be determined	Annual reports demonstrating changes in urban efficiency	Human settlements spatial investment framework

3. Multi-year Development Plan Guidelines

The Guidelines for Multi-year Development Plans has been revised and prepared by the National Department of Human Settlements to guide provincial human settlements departments to fulfil their legal requirement of preparing a Multi-year Housing Development Plan. It provides a format that will establish consistency across all provinces.

The guidelines were revised to set out a framework for the alignment of the provincial multi-year plans with the National Medium Term Strategic Framework. The 2014–2019 MTSF aim is to lay a foundation for the transforming of the functioning of human settlement making and to strengthen the space economy.

The focus will be on achieving:

- Adequate housing and improved quality living environments;
- A functionally equitable residential property market; and
- Enhanced institutional capabilities for effective coordination of spatial investment decisions.

The national Department of Human Settlements and the National Development Plan 2030 vision is to achieve measurable progress towards breaking apartheid spatial patterns with significant advances made towards retrofitting existing settlements offering the majority of South Africans access to adequate houses, better living environments with affordable services, within an equitable and functional residential property market.

To enable the national Department to achieve the National Development Plans 2030 vision, the provincial human settlements departments must align their strategies and MYDPs to the MTSF.

Before 2008, provinces were required to submit an APP and a Multi-year Housing Development Plan (MYHDP) as required by the National Treasury Regulations and the Housing Act. The simultaneous development of the two plans placed enormous strain on the provincial human resources available. As an intervention, the national Department of Human Settlements: Human Settlements Planning Unit proposed the merge of the APP with the MYHDP. Approval was granted by National Treasury and on 25 April 2008, the Technical MinMec supported the proposal to merge the two plans.





In 2009, National Treasury revised the structure and content of the Guidelines for Strategic and Annual performance Planning Frameworks (APP) that consist of three parts:

Part A: Strategic overview

Part B: Programme and sub-programme plans

Part C: Links to other plans

The national Department of Human Settlements revised the MYHDP to align with the revised APP, and renamed the MYHDP to what it is known as today the APP: Part D, with a five-year horizon. Provinces should align their Human Settlements Development Grant Business Plans with the MYDP.

Purpose of the Guidelines

This document provides guidelines to assist provincial human settlements departments to prepare a MYDP with a 5-year horizon that is aligned to the Medium Term Strategic Framework 2014–2019 (MTSF). The MYDP is a 5-year spatial and fiscal planning document that is reviewed annually. Unlike the 5-year Strategic Plan, the MYDP has an operational emphasis.

In cases where the human settlements departments form part of a larger department, this Framework constitutes the human settlements component and can be added to that of the other department (e.g. Local Government).

3.1. Content and format

Section 1: Alignment to the Mandate (legislative and other mandates are in STRAT PLAN & APP Part A)

- List of documents used to develop the MYDP
- Indication of how the SLUMA will assist in the fast-tracking of the release of well-located land
- Strategies and programmes
- Description of long-term vision and key development needs

Section 2: Human settlements and MTSF: Outcome 8 report

- Narrative on the past 5 years' performance of the human settlements environment
- The shift from current to future
- Trends and demands: Basic infrastructure, residential infrastructure, community, social infrastructure, transportation and sustainable development

Section 3: Actions, outcomes, outputs, and impacts in line with the MTSF

Action	MTSF outputs	Detailed outputs	Outcome	Impact
Increase the supply of housing opportunities using different tenure types to ensure diversity to address social, economic and cultural needs	Implementation Strategy to increase the supply of housing opportunities for affordable housing market (i.e. subsidy and gap market) developed	Implementation Strategy developed	Number of households living in adequate housing	Improved conditions for households living in informal settlements
	Institutional capacity for PHP to support informal settlement upgrading and rural housing enhanced	Institutional capacity for PHP enhanced		
	Programme to support community-based, cooperatives, non-profit rental and self-built housing developed	Programme to support community-based, cooperatives, non-profit rental and self-built housing developed		
	Number of housing opportunities in quality living environments	Number of informal settlements assessed for upgrading purposes		
	Number of existing informal settlements assessed			
			Number of informal settlements upgrading plans developed/ approved	





Action	MTSF outputs	Detailed outputs	Outcome	Impact
	Number of households benefiting from informal settlements upgrading	Number of households in informal settlements provided (upgraded) with Phase 2 services		
	Number of housing units for subsidy housing sub-market provided	Number of individual units for the subsidy housing sub-market completed in terms of the various human settlements programmes		
	Number of affordable housing loans for new houses in the affordable-gap housing sub-market	Number of affordable housing loans granted (for new houses in the affordable-gap housing sub-market)		
		Number of units completed in terms of the FLISP Programme		
	Number of affordable rental housing opportunities	Number of social housing units completed		
		Number of CRU units completed		
Fast-track release of well-located land for housing and human settlements, targeting poor and lower middle-income households	Hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households	Number of land parcels identified	Number of households living in adequate housing	Improved conditions for households living in informal settlements
		Number of hectares of land identified		
		Number of land parcels assessed for suitability for human settlements development		
		Number of hectares of land procured/ proclaimed		
		Number of hectares of land rezoned		

Action	MTSF outputs	Detailed outputs	Outcome	Impact
Include access to basic water, sanitation, roads and energy infrastructure and services in all new developments	All new developments have basic infrastructure and services (water, sanitation, roads and energy infrastructure and essential services)			
Address current infrastructure and basic services backlog in existing settlements	Number of households with access to basic services and infrastructure	Number of households in new development provided with basic water, sanitation, roads and energy		
	Number of households provided with adequate sanitation facilities			
Implement projects that ensure spatial, social and economic integration	Framework to ensure spatial, social and economic integration (spatial targeting) of human settlements developed	Framework to ensure spatial, social and economic integration (spatial targeting) of human settlements developed	Number of functional settlements that are spatially, socially and economically integrated	
	Multi-year human settlements development plans that support spatial targeting, social and economic integration	Multi-year human settlements plans developed		





Action	MTSF outputs	Detailed outputs	Outcome	Impact
	Number of lead catalytic projects that demonstrate spatial, social, and economic integration	Number of lead catalytic projects that clearly demonstrate spatial, social and economic integration approved % of catalytic projects completed		
Develop minimum standards and finance options for investment in public spaces	Minimum standards and finance options for investment in public spaces developed Yearly allocation invested in public spaces targeting poor and lower middle-income households	Minimum standards and finance options for investment in public spaces developed % allocation invested in public spaces targeting the poor and lower middle-income households	Investment decisions in human settlements improve spatial efficiency	
Intensify home-ownership education programmes for the affordable housing market	Curriculum on the property market and home-ownership for the subsidy housing market reviewed and improved Market information for buyers and sellers in the affordable (subsidy and gap) housing market developed Consumers in the affordable and subsidy housing market exposed to consumer education programmes Effective housing consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market	Curriculum on the property market and home-ownership for the subsidy housing market reviewed and improved Market information for buyers and sellers in the affordable (subsidy and gap) housing market developed Number of households provided with consumer education		

Action	MTSF outputs	Detailed outputs	Outcome	Impact
Issuing of title deeds form part of the housing development process	Title deeds issued to new home-owners in the subsidy sub-market on occupation	Number of title deeds issued to households in new developments	% increase in population with security of tenure	
	Backlog on title deeds eradicated	Number of title deeds issued to households in housing projects completed before 31 March 2015		
	All new title deeds for subsidy sub-market endorsed consistent with policy			
Analysis of new housing units constructed in the residential property market	Trends in the residential building plans passed by municipalities and completed housing units reported	Number of projects enrolled with the NHBRC	% increase in government subsidised housing in accordance with approved norms and standards	
	Trends in new NHBRC enrolments	Number of housing units enrolled with the NHBRC		
Increase in the number of properties in the subsidy housing sub-market entering the municipal rates roll	Number of rateable properties in the subsidy housing sub-market entering the rates roll of municipalities	Number of rateable properties in the subsidy housing sub-market entering the rates roll of municipalities		
Strengthened programme for accreditation and assignment of municipalities	Municipalities accredited to perform the housing function	Number of municipalities accredited with: <ul style="list-style-type: none"> Level 1 Level 2 		
	Municipalities in secondary cities accreditation to Level 2	Number of municipalities assigned with the housing function		
	Municipalities accredited to Level 1			





Action	MTSF outputs	Detailed outputs	Outcome	Impact
Increase the participation of stakeholders in housing development by encouraging community-based organisations, civil society organisations, and other forms of non-governmental entities	100 community-based organisations, civil society organisations, and other forms of non-governmental entities participating in human settlements development	Number of community-based organisations, civil society organisations, and other forms of non-governmental entities participating in human settlements development		
Develop an M&E system to measure effectiveness of spatial targeting in human settlements	Monitoring and evaluation (M&E) system to track and assess the effectiveness of spatial targeting in human settlements developed and implemented	Progress of the effectiveness of spatial targeting in human settlements developed		

Section 4: National focus areas as per the MTSF (Housing Opportunities/Priority programmes)

- Affordable rental housing
 - o Indication of what the province intends doing to develop affordable rental housing opportunities to fast-track and ensure affordability and diversity of the rental housing market
 - o Targets over the next 5-year period
- Social housing support
 - o Where province intends to invest the Social Housing Capital Grant
- Community Residential Units Programme
 - o Demonstration of the 5-year plans for the creation of affordable rental housing opportunities through the implementation of the Community Residential Units Programme

- Back-yard rental
 - o Demonstration of the 5-year plans for the creation of affordable rental housing opportunities through the implementation of the Back-yard Rental Programme
- Rural settlements shelter and basic services
 - o Indication of what strategies will assist in providing basic services to rural settlements and the impact these would have
- People's housing process
 - o Demonstration of the 5-year plans for the creation of affordable rental housing opportunities through the implementation of the PHP.
 - o Indication of the PHP capacity required to support the informal settlement upgrading and rural housing enhanced
- Details on the identification of the catalytic projects
 - o List of the catalytic projects to be implemented over the next 5 years
- Title deeds
 - o What the province intends doing to address the title deed backlog and measures to ensure that title deeds are registered in new developments

Section 5: Land, urbanisation and spatial management

- Land
 - o Demonstration how the province would fast-track the release of well-located land for new developments targeting the poor and lower middle-income households
 - o The current settlement densities by location, demand for production of urban land by area, land use type, location, cost availability and acquisition method
 - o Indication of the role other institutions/stakeholders will be playing in acquiring well-located land





- Urbanisation
 - o Indication of mechanisms put in place to corp. with urbanisation
 - o Reflection on elements critical for attaining sustainable human settlements
 - o Reference to initiatives in place geared towards creation of dignified places, i.e. alternative technologies (ATs)
- Spatial management
 - o Indication of how the province will support the development of hubs, nodes and linkages developed in historical black townships
 - o Methods to assist in the spatial, social and economic integration initiatives to address previous social exclusion, by promoting a mix of race and classes through social cohesion
 - o Initiatives taken to address apartheid-induced segregation, fragmentation and inequality

Section 6: Funding model and options

- Overview of financial allocations required to finance the implementation of the MYDP
- The portion of the HSDG Grant will be allocated to each of the metros/ municipalities where applicable
- Indication which programmes the funding will be used for in the metros/ municipalities and how it links to other grants or sources of funding

Section 7: Institutional and financial arrangements

- Description of the institutional arrangements required to give effect to the implementation of the MYDP
- Partnerships

3.2. Reporting indicators for the provinces and the metropolitan municipalities on the MTSF

Output	Indicators	Actual and/or targets per financial year					
		2013/14 BASELINE	2014/15	2015/16	2016/17	2017/18	2018/19
Number of housing opportunities in quality living environments	Number of informal settlements assessed for upgrading purposes						
Number of existing Informal settlements assessed	Number of informal settlements upgrading plans developed/ approved						
Number of households benefiting from informal settlements upgrading	Number of households in informal settlements provided (upgraded) with Phase 2 services						
Number of housing units for subsidy housing sub-market provided	Number of individual units for the subsidy housing sub-market completed in terms of the various human settlements programmes						
Number of affordable housing loans for new houses in the affordable-gap housing sub-market	Number of affordable housing loans granted (for new houses in the affordable-gap housing sub-market)						
	Number of units completed in terms of the FLISP Programme						
Number of affordable rental housing opportunities	Number of social housing units completed						
	Number of CRU units completed						



Output	Indicators	Actual and/or targets per financial year					
		2013/14 BASELINE	2014/15	2015/16	2016/17	2017/18	2018/19
Hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households	Number of land parcels identified						
	Number of hectares of land identified						
	Number of land parcels assessed for suitability for human settlements development						
	Number of hectares of land procured/ proclaimed						
	Number of hectares land rezoned						
All new developments have basic infrastructure and services (water, sanitation, roads and energy infrastructure and essential services)							
Number of households with access to basic services and infrastructure	Number of households in new development provided with basic water						
Number of households provided with adequate sanitation facilities	Number of households in new development provided with sanitation						
	Number of households in new development provided with roads						
	Number of households in new development provided with energy						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 BASELINE	2014/15	2015/16	2016/17	2017/18	2018/19
Multi-year human settlements development plans that support spatial targeting, social and economic integration	Multi-year human settlements plans developed (Y/N)						
Number of lead catalytic projects that demonstrate spatial, social, and economic integration	Number of lead catalytic projects that clearly demonstrate spatial, social and economic integration approved						
	% of catalytic projects completed						
Yearly allocation invested in public spaces targeting poor and lower middle-income households	% allocation invested in public spaces targeting the poor and lower middle-income households						
Consumers in the affordable and subsidy housing market exposed to consumer education programmes	Number of households provided with consumer education						
Effective housing consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market	Number of consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market developed						





Output	Indicators	Actual and/or targets per financial year					
		2013/14 BASELINE	2014/15	2015/16	2016/17	2017/18	2018/19
Title deeds issued to new home-owners in the subsidy sub-market on occupation	Number of title deeds issued to households in new developments						
Backlog on title deeds eradicated	Number of title deeds issued to households in housing projects completed before 31 March 2015						
All new title deeds for subsidy sub-market endorsed consistent with policy							
Trends in the residential building plans passed by municipalities and completed housing units reported	Number of projects enrolled with the NHBRC						
Trends in new NHBRC enrolments	Number of housing units enrolled with the NHBRC						
Number of rateable properties in the subsidy housing sub-market entering the rates roll of municipalities	Number of rateable properties in the subsidy housing sub-market entering the rates roll of municipalities						
Municipalities accredited to perform the housing function	Number of municipalities accredited with: Level 1						
	Number of municipalities accredited with: Level 2						
Municipalities in secondary cities accreditation to Level 2	Number of municipalities in secondary cities accreditation to Level 2						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 BASELINE	2014/15	2015/16	2016/17	2017/18	2018/19
100 community-based organisations, civil society organisations, and other forms of non-governmental entities participating in human settlements development	Number of community-based organisations (CBOs), participating in human settlements development						
	Number of civil society organisations, participating in human settlements development						
	Number of non-governmental entities participating in human settlements development						

4. HSDG and provincial-specific programmes

4.1. Background on the HSDG

The Constitution places an obligation on the state to provide access to adequate housing to its citizens. As the custodian of the housing sector, the Department of Human Settlements has developed strategies, policies and programmes to ensure the progressive realisation of this right. The Comprehensive Plan for the development of sustainable human settlements, approved in 2004, and the revised National Housing Code, published in 2009, mark a conceptual shift away from the mandate of providing shelter, to supporting the residential property market. The National Housing Code allows for access to housing and services for low-income families, and ensures greater choice in quality, location and ownership.

The Human Settlements Development Grant (HSDG) seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities.





The HSDG is a long-term grant of which the exact lifespan cannot be stipulated as the government has an obligation to assist the poor with the provision of human settlements.

There are currently a number of different sectoral and other infrastructure grants which are meant to contribute to the overall sustainable and liveable human settlements but are not linked to the HSDG. Examples are the Integrated National Electrification Programme and the Neighbourhood Development Partnership Grant.

The human settlements function will be fully assigned to six metropolitan municipalities. From the date of assignment, funds for the Human Settlement Development Grant for these municipalities will be transferred directly to them. As the function has not yet been assigned, the funds for these cities are still reflected in the allocations to provinces. However, provisions in the 2013 Division of Revenue Act will allow these funds to be transferred directly to cities once assignment takes place.

4.2. Rationale

The strategic goal of the HSDG is “The creation of sustainable human settlements that enables an improved quality of household life”.

The grant purpose is “To provide funding for the creation of sustainable human settlements”.

Human settlements programmes are categorised according to four Intervention Categories, namely:

- **Financial:** Facilitating immediate access to human settlements goods and services creating enabling environments and providing implementation support
- **Incremental Programmes:** Facilitating access to human settlements opportunities through a phased process
- **Social and Rental Programmes:** Facilitating access to rental human settlements opportunities, supporting urban restructuring and integration
- **Rural Programmes:** Facilitating access to human settlements opportunities in rural areas

The focus of programmes in the Financial Intervention Category is on facilitating immediate access for beneficiaries to human settlements goods by creating an enabling environment and implementation support. The various programmes are:

- Individual housing subsidies (R0 – R3 500) credit linked
- Individual housing subsidies (R0 – R3 500) Non-credit linked
- Housing finance linked to individual subsidies (FLISP) (R3 501 – R15 000)
- Enhanced Extended Discount Benefit Scheme (EEDBS)
- State Asset Maintenance Programme
- Rectified RDP stock 1994–2002
- Rectification of administration stock (pre-1994)
- Social and economic facilities
- Accredited municipalities (Levels 1 & 2)
- Operational capital budget (OPSCAP)
- Unblocking of blocked projects
- NHBRC enrolment (related to grant)
- Land parcels procured (IHAHSD)
- Housing chapters of IDPs

The focus of programmes in the Incremental Intervention Category is on facilitating beneficiary access to human settlements opportunities through a phased process. The various programmes are:

- Project-linked subsidies (current commitments approved up to 31/03/07)
- Integrated Residential Development Programme: Phase 1: Planning and Services (excluding informal settlements)





- Integrated Residential Development Programme: Phase 1: Planning and Services (informal settlements)
- Integrated Residential Development Programme: Phase 2: Top Structure Construction (excluding informal settlements)
- Integrated Residential Development Programme: Phase 3: Top Structure Construction (informal settlements)
- Integrated Residential Development Programme: Phase 4: Top Structure Construction (informal settlements)
- People's Housing Process (excluding informal settlements)
- People's Housing Process (informal settlements)
- Informal Settlement Upgrading
- Consolidation subsidies (excluding blocked projects)
- Consolidation subsidies (blocked projects)
- Emergency housing assistance

The focus of programmes in the Social and Rental Intervention Category is on facilitating rental housing opportunities, supporting urban restructuring and integration. The programmes are:

- Institutional subsidies
- Social Housing: Operational support
- Social Housing: Capital Grants for Rental Housing (funded by NDoH)
- Community Residential Units (CRUs) converted/upgraded
- Community Residential Units (CRUs) constructed
- Backyard Rental Programme
- Military Veterans

The focus of programmes in the Rural Housing Intervention Category is to facilitate access to human settlements opportunities in rural areas through a phased process. The programmes are:

- Farmworker Housing Assistance
- Rural Housing: Communal Land Rights

4.3. Reporting indicators and targets

The outcome statements of the HSDG are:

- The facilitation and provision of access to basic infrastructure, top structures and basic social and economic amenities that contribute to the creation of sustainable human settlements
- Improved rates of employment and skills development in the delivery of infrastructure

The outputs of the grant are:

- Number of residential units delivered in each housing programme
- Number of serviced sites delivered in each housing programme
- Number of finance-linked subsidies approved and disbursed
- Number of households in informal settlements provided with household access to services/ upgraded services
- Number of hectares of well-located land acquired and/or released for residential development
- Number of work opportunities created through related programmes

The activities and prescripts in respect of each programme or subsidy instrument are set out in the implementation guidelines for the National Housing Code.

All provincial departments will be expected to deliver on the following immediate HSDG result indicators and targets (to be populated per province (per sub-programme)):





Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
PROVINCE	Financial	Hectares of land parcels procured (IHAHSD)					
		No. of Housing Chapters of IDPs compiled/ reviewed					
		No. of beneficiaries approved					
		No. of sites serviced (provided with water, sanitation, and electricity)					
		No. of new housing units completed					
		No. of new housing units transferred (Title deed)					
		No. of planned units approved for affordable beneficiaries (per sub-programme)					
		No. of housing units completed for affordable beneficiaries (FLISP)					
		No. of properties transferred: EEDBS					
		No. of rental stock units maintained: State Asset Maintenance Programme					
		No. of projects approved: Rectification					
		No. of housing units rectified					
		No. of projects approved: Social and Economic Facilities					
		No. of projects completed: Social and Economic Facilities					
		No. of municipalities accredited (Levels 1, 2, 3)					
		No. of programmes approved and funded under the accreditation of municipalities					
		Operational Capital Budget: No. of contracts allocated					
		No. of projects enrolled with the NHBRC					
		No. of houses enrolled with the NHBRC					
		No. of direct job-days created (the combined number of work days to perform a task)					

	Output	Indicators	Actual and/or targets per financial year						
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19	
PROVINCE	Incremental	No. of projects approved							
		No. of beneficiaries approved							
		No. of sites serviced (per sub-programme) (provided with water, sanitation, and electricity)							
		No. of properties transferred (Title deed)							
		No. of informal settlements upgraded							
		No. of direct job-days created (the combined number of work days to perform a task)							
		No. of serviced sites for assistance to households needing temporary assistance (emergency housing)							
		No. of housing units completed for assistance to households needing temporary assistance							
		No. of social housing institutions approved for Provisional Accreditation Grant							
	Social & Rental	No. of social housing institutions approved for staff gear-up and general Capacity Building Grants							
		No. of beneficiaries approved (per sub-programme)							
		No. of social housing units completed							
		No. of rental housing units completed							
		No. of institutional housing units completed							
		No. of CRUs converted							
		No. of CRUs upgraded							
		No. of backyard rental units delivered							
		No. of units delivered for military veterans							
	Rural Housing	No. of direct job-days for social housing excl. ISU							
		No. of beneficiaries approved							
		No. of projects approved for farm residents							
		No. of housing units completed for farm residents							
		No. of sites improved/upgraded (RHCLR)							
		No. of housing units completed (RHCLR)							
		Provincial Specific Programme	No. of sites serviced (provided with water, sanitation, and electricity)						
			No. of housing units completed						
			No. of direct job-days created (the combined number of work days to perform a task)						





4.4. Performance evaluation plan and reporting timeframes

As indicated in the objectives and scope of the evaluation, departments are required to develop programme evaluation plans for all grant programmes implemented. The plans must describe what the performance evaluation will look like as well as what information will be collected. The Performance Evaluation Plans consist of information from the Department's objectives, including programme activities, beneficiaries, results, instruments to be used, and standards for success which relate to the Grant Framework objectives. The plans must also include specific information on the frequency and period of data collection, as well as responsibilities and accountabilities related to data collection and reporting.

The national Department of Human Settlements developed a programme evaluation plan for all grant programmes implemented. It was circulated to all provincial human settlements departments (PHDs) and the findings were analysed and consolidated.

Process of approval for business plans entail (actual dates as per Annual DoRA framework):

- “First draft provincial business plans per financial year to be submitted to the national department as outlined in the Annual DoRA framework by the beginning of November
- Submit final provincial business plans, project lists, project readiness matrix including cash flow projections and compliance certificates to the national department by the beginning of February
- Submit approved provincial and national plan to National Treasury by end March”

The HSDG conditions include (actual dates as per Annual DoRA framework):

- Funds for this grant should be utilised for the priorities as set out in the Medium Term Strategic Framework and will only be released upon sign-off by the national Department of Human Settlements (DHS) provincial business plans consistent with the Housing Act and National Housing Code.
- The flow of the first tranche payment is subject to the submission of approved business plans.
- Heads of Provincial Departments (HoDs) must confirm that projects captured in respective business plans are ready for implementation in the 2015/16 financial year.

- For projects in metros, provinces must prioritise projects that meet the criteria in the HSMSP criteria and/or are located in the BEPP integration zones.
- Provinces may, if a proven need exists, utilise up to 5 per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects as contained in the business plan.
- Provinces must make budget allocations consistent with provincial and related municipal backlogs.
- Where municipalities have been accredited for the housing functions at Levels 1 and 2, the provincial business plans must reflect relevant allocations, signed-off project lists with separate accredited project targets and outputs for those municipalities which must be gazetted in terms of section 10(10) of the Division of Revenue Act (DoRA).
- Provinces may only amend targets once a year. Where targets are revised during the mid-term budget adjustment and/or are budgets shifted, a revised business plan must be submitted to the DHS, by the relevant provincial department, by 30 October.
- Funds have been added to this grant for the repair of infrastructure damaged by floods. Should the cost of repairing the affected infrastructure exceed the amounts earmarked below, provinces may not fund any such shortfalls out of the remaining allocation of this conditional grant.
- Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC.
- Disaster reconstruction and rehabilitation funds may only be utilised for approved projects as listed in the post disaster verification assessment reports and approved business plans.
- Monthly and quarterly performance reports on disaster allocations must be submitted to the NDMC.
- Report on sub-programmes on BAS.
- A minimum of 30 per cent of total HSDG allocation must be spent using the Upgrading of Informal Settlements Programme, Chapter 13 of the Housing Code. Targets broken down per province in delivery agreement.
- In addition, funds must be added to informal settlement upgrading projects in the area of each respective mining





town. The additional funds and may not be used to replace existing baseline funds allocated to projects in the respective mining towns.

Responsibilities of the national department (actual dates as per Annual DoRA framework):

- Finalise and ensure the approval of the subsidy quantum and the allocation formula for the delivery of sustainable and integrated human settlements.
- Cooperate with the National Treasury in standardising the BAS reporting codes across national and provincial spheres.
- Approve the final national and provincial business plans and compliance certificates by end March.
- Monitor the credibility of provincial business plans and the readiness of projects captured therein.
- Ensure that provinces align financial and non-financial information in terms of reporting in BAS, HSS, provincial business plans and provincial quarterly reports.
- Monitor provincial, financial and non-financial grant performance and control systems related to the HSDG.
- Ensure provinces comply with the reporting on the HSS in terms of frequency and quality of the input.
- Provide support to provinces and accredited municipalities with regards to human settlements delivery as may be required.
- Undertake structured and other visits to provinces and metropolitan municipalities as is necessary.
- Facilitate regular interaction between national and provincial departments of human settlements and accredited municipalities.
- Submit an annual evaluation report on the performance of the grant to National Treasury by end July.
- Evaluate the audited provincial annual reports for submission to National Treasury by mid-December.
- Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter.
- Provide systems (Housing Subsidy System) that support the administration of the human settlements delivery process.

- Comply with the responsibilities of the national transferring officer outlined in DoRA.
- Publish approved business plans.

Responsibilities of the provincial departments (actual dates as per Annual DoRA framework):

- Submit the number of residential units and number of serviced sites delivered in each housing programme per month.
- Submit the annual evaluation reports to the national department by end of May.
- Submit the audited annual reports to the national department by the end of September.
- Prioritise funds in order to build houses to meet the quota set for the military veterans.
- Support accredited municipalities in carrying out delegated functions as per the accreditation framework.
- Provinces must utilise the Housing Subsidy System (HSS) for the administration and related performance reporting of all the human settlement delivery programme and processes.
- Any malicious use of or non-compliance with the HSS will result in funds being withheld or stopped in terms of DoRA.
- Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, provincial business plans, and provincial quarterly reports.
- Ensure effective and efficient utilisation of the HSS by municipalities.
- Comply with the terms and conditions of the national performance agreements and provincial and local delivery agreements.
- The monthly expenditure report, as contemplated in section 12(3) of DoRA and section 40(4)(c) of the Public Finance Management Act (PFMA), must be submitted by the 15th of every month for the preceding month.
- The monthly DoRA expenditure and quarterly reports must be signed by both the Head of Department and the relevant provincial treasury.
- Submit number of residential units delivered in each housing programme by the 15th of every month for the preceding month.
- Submit number of serviced sites delivered in each housing programme by the 15th of every month for the preceding month.





- Submit a report on the number of jobs created and number of houses allocated to the national department by the 15th of every month for the preceding month.

According to DoRA, the receiving officer of the Human Settlements Development Grant must, in consultation with the transferring national officer, publish in the Gazette within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the financial year, the next financial year per municipality with level one or level two accreditation, separately indicating the expenditure to be undertaken directly by the province, and transfers to each municipality.

5. Urban Settlements Development Grant (USDG)

5.1. Background on the USDG

Current and future growth and development of urban areas in the country place substantial pressure on municipalities to provide infrastructure to both accommodate current needs as well as to support future growth. Current and expected future urbanisation trends of the country compel municipalities to fulfil the roles of creating favourable conditions for future economic development while in the process addressing infrastructure backlogs and addressing poverty. The impact of urbanisation on the natural environment is severe and South Africa has yet to find an appropriate model for effectively harnessing the potential of its cities to drive economic growth, redress the spatial patterns and environmental degradation that continue to marginalise the poor.

The national Government recognises the important role the metropolitan municipalities (MMs) have to fulfil in the development of sustainable urban environments. Legislation and policy reforms regarding the assignment of functions from national and/or provincial spheres to specified local governments in respect of human settlements and public transport as well as the accompanying fiscal reforms all lay emphasis on the centrality of local government to plan, manage and have full accountability for local level development

Municipalities provide most of the infrastructure and services that support economic activities. A failure to provide the require infrastructure at the scale needed and on time, impedes not only private sector investments but growth

in general. The current high growth rates of cities have already resulted in infrastructure backlogs and municipalities are under considerable pressure to refurbish existing and develop new infrastructure.

A Cabinet resolution in December 2010 was taken that the USDG be established. The Municipal Infrastructure Grant for cities (MIG-Cities) was established to promote integrated planning and to fund the urban built environment in the large cities. However, MIG-Cities has since been disestablished. USDG is intended as an instrument for metros to address linkage between public housing and economic growth to simultaneously contribute to human settlements outcomes. The funding is different from the MIG allocation in that the USDG is a combination of the MIG-Cities with a component of funding from the HSDG that flows directly to the 8 metros to be used for bulk and link infrastructure, securing and releasing land, both for addressing poverty and growth and to contribute to the outcomes for sustainable built environments.

This is a grant that was introduced in 2011/12 financial year. This is a supplementary infrastructure grant with conditions, objectives and distribution criteria, (e.g. backlogs on infrastructure) different from that of the equitable share. The grant is service delivery-oriented and not programmes-driven. The USDG is not a national housing programme as contemplated by section 3 of the Housing Act, 1997.

The USDG is a special capital grant mechanism to ensure adequate infrastructure development in urban areas to address the urgent need for accelerated human settlement development, economic growth stimulation and to reduce the costs of access to land and services for poor urban households. The application of the USDG is based on Integrated Development Plans of municipalities that empower municipalities to manage and properly plan and align resources for development projects and urban growth strategies as opposed to ad hoc interventions when a crisis appears.

The Urban Settlements Development Grant (USDG) is a separate national Government grant allocated to specific metropolitan municipalities for the purpose of the development and provision of infrastructure required for the establishment and/or creation of sustainable human settlements that supplement municipal capital investment programmes.

The Urban Settlements Development Grant (USDG) is a schedule 4 grant in terms of the DoRA. It entails allocation to the metros to supplement their capital programme in respect of infrastructure development, land release and





leveraging additional capital financing to contribute to the development of human settlements and achieve the outcomes of sustainable human settlements and improved quality of household life.

5.2. Rationale

The strategic goal of USDG is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

The grant purpose is to “supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households”.

The outcome statement for the USDG is to ensure that South African metropolitan and secondary cities have more efficiently managed built environments, more compact and efficient cities with appropriate transport services that promote the creation of sustainable human settlements where people live with human dignity and have access to all the required services, amenities and economic opportunities.

The outcome statement for the USDG is to ensure the integrated sustainable human settlements and improved quality of household life outcomes to be realised are:

- Increased household access to basic services and related infrastructure
- Increased supply of well-located land for human settlements development through the reduction in the real average cost of urban land
- Increased access to public and socio-economic amenities
- Support transit oriented development projects
- Bridging the gap for infrastructure provisions within mixed income and mixed use development to support the leveraging of private and non-state sector grants and funding in support of catalytic projects
- Improving the sustainable livelihoods of poor households within the municipal jurisdiction

USDG outputs:

The following outputs should be funded by the grant to support the overall built environment:

- Increase in bulk infrastructure capacity
- Increase in basic services to poor households, specifically in informal settlements, including water, sanitation, electricity, refuse removal and transport access
- Increase in land provision for informal settlement upgrading, subsidy housing, or mixed use development in support of catalytic projects
- Increase in access to socio-economic amenities
- Improved dwelling unit densities within an improved spatial integration framework

Process of approval for business plans entail (actual dates as per Annual DoRA framework):

- Municipalities must submit comprehensive USDG Performance Matrix as included in the BEPP which shall include indicators and targets aligned to the IDP and SDBIP and a draft and/or approved municipal budget.
- First and final draft BEPPs must be submitted to both the National Treasury and the national Department of Human Settlements for analysis so as to detect how the USDG responds to human settlements developments.
- Municipalities must submit their first draft of the USDG Performance Matrix to the TNO by mid-March and the final USDG Performance Matrix should be submitted by mid-May.

Essentially, this programme must prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and roads which support the planning, funding and development of human settlements. This programme was introduced to address:

- Problems of inadequate control and management of investment in the built environment
- Inadequate coordination of planning and weak accountability of all role-players
- Focus on the development of urban land and infrastructure that is intended to lay the foundation for local municipalities to gradually assume a greater role in managing built environment investments





5.3. Reporting indicators and targets

This grant uses the Urban Settlements Development Grant (USDG) Performance Matrix that is consistent with the Integrated Development Plan (IDP), including the Human Settlements Chapter of the IDP, and the Service Delivery and Budget Implementation Plans (SDBIPs) of the receiving municipalities.

The Comprehensive Plan for the Development of Sustainable Human Settlements recognises that the supply of state-assisted housing must respond to the housing demand, and that this relationship is best packaged at a local level. Municipalities are accordingly required to take the lead role in negotiating the location of housing supply to facilitate spatial restructuring, facilitate a match between supply of different state-assisted housing typologies and build linkages between housing delivery, spatial planning and transportation systems.

In terms of sections 25 and 26 of the Municipal Systems Act 2000 (Act No. 32 of 2000), all municipalities are required to compile Integrated Development Plans (IDPs). These plans are single, all-inclusive, strategic plans. IDPs are critical components of South Africa's developmental local government system where development priorities, resources and institutional arrangements and governance processes are negotiated and implemented amongst various actors. The Housing Act, 1997 (Act No. 107 of 1997) ("the Housing Act") states in section 9(1)(f) that "Every municipality must, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction". Importantly, this planning should include a local housing strategy and delivery targets.

The Programme for the compilation of Housing Chapters of Integrated Development Plans has been developed; and establishes the provision of grants to a municipality to enable it to compile a Housing Chapter as part of its integrated development planning process. The Programme, and grant funding provided when needed, will enable the municipality to compile strategic, realistic Housing Chapters that are linked to Provincial Housing Sector Plans.

Service Delivery and Budget Implementation Plans (SDBIP) need to be prepared in line with the approved 5-year IDP as well as the applicable legislative requirements of the MFMA. The SDBIP therefore contains information in regard to revenue and expenditure projections, service delivery targets and indicators and provides a detailed

breakdown of the municipality's approved capital budget per ward. It should be noted that the SDBIP is an important oversight and management tool which must be informed by the approved IDP and Budget.

Enhanced sustainability of human settlements and improved quality of household life in urban areas is measured by (measurement units in brackets):

- Increased availability of serviced urban land parcels (reduction in average production cost and price of land)
- Increased access to suitable shelter (reduction in real costs of rental for a well-located housing unit)
- Increased average density of cities (city-wide average dwelling units per hectare)
- Increase security of tenure irrespective of ownership, or rental, formal or informal structures security (number of new freehold tenure units transferred to beneficiaries, rental agreements signed and legal protection provided)





Outputs and immediate result indicators and targets are (to be populated per municipality):

	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
MUNICIPALITY	Statistical Indicators: Service Delivery Backlogs	Number of sites currently serviced with electricity, water (house connection) sewerage removal service and solid waste removal service						
		Number of households living in informal settlements						
		Number of hectares of land already acquired and suitable for human settlements development						
		Number of households in formal areas with access to basic electricity						
		Number of households living in informal areas with access to basic electricity						
		Number of households in formal areas with access to water services						
		Number of households living in informal areas receiving water services						
		Number of households in formal areas receiving sewerage service						
		Number of households living in informal areas receiving sewerage service						
		Number of households in formal areas with kerb-side refuse removal services (once a week)						
		Number of households living in informal areas with access to refuse removal services						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
MUNICIPALITY Spatial Development and Build Environment	Number of hectares of land procured for Greenfields development						
	Number of hectares of land procured for Brownfields development						
	Number of hectares of land proclaimed (township establishment completed)						
	Number of dwelling units developed per hectare						
	Percentage density reduction in total informal settlements						
	Number of informal settlements targeted for upgrading						
	Number of households living in informal settlements targeted for upgrading						
	Number of informal settlements targeted for upgrading with upgrading plans						
	Number of informal settlements upgraded (services provided): In situ						
	Number of informal settlements targeted for formalisation (services provided): Relocated						
	Number of households living in informal backyard rental agreement						
	Number of sites serviced						
	Number of title deeds transferred to eligible beneficiaries						



MUNICIPALITY	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
MUNICIPALITY	Roads and Storm Water	KMs of new paved roads to be built						
		KMs of new gravelled roads to be built						
		KMs of roads resurfaced/ rehabilitated/resealed						
		KMs of new storm water drainage installed in addition to current ones						
	Transport	KMs of pedestrian walkways to be constructed						
		Number of bus terminals or taxi ranks to be constructed						
		Number of bus/taxi stops to be constructed						
	Access to services: Water	Number of water service points installed for informal settlement dwellers within a 200m radius						
		Number of additional households provided with water connections						
	Access to services: Sewerage	Number of sanitation service points (toilets) installed for informal settlement dwellers						
		Number of additional households provided with sewer connections						
	Access to services: Solid Waste Management	Number of additional households provided with access to weekly refuse removal						
		Number of households living in informal areas with access to solid waste removal service						
		Number of waste minimisation projects initiated/ upgraded						
	Access to services: Electricity	Number of additional households living in formal areas provided with electricity connection						
		Number of additional high mast lights installed						
Number of additional households provided with access to free basic electricity								
Number of additional street lights installed								

MUNICIPALITY	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Socio-economic amenities		Number of community halls to be developed/upgraded						
		Number of sports fields and stadia to be developed/upgraded						
		Number of parks/leisure facilities to be developed/upgraded						
		Number of clinics to be developed/upgraded						
		Number of pre-schools/early childhood development centres to be developed/upgraded						
		Number of community swimming pools to be developed/upgraded						
		Number of libraries to be developed/upgraded						
		Number of museums/theatres and art galleries to be developed/upgraded						
		Number of cemeteries to be developed/upgraded						
		Number of abattoirs to be developed/upgraded						
		Number of markets to be developed/upgraded						
		Number of fire safety and emergency facilities to be developed/upgraded						
Local economic development and job creation		Number of additional jobs to be created using the Expanded Public Works Programme guidelines and other municipal programmes						





5.4. Performance evaluation plan and reporting timeframes

Municipalities must comply with reporting requirements as per MFMA and as specifically outlined below:

- A minimum of 50 per cent of the USDG allocation to each metro must be spent on upgrading of informal settlements
- Municipalities must prioritise projects that meet the criteria in the HSMSP criteria and/or are located in the BEPP integration zones

The flow of the first instalment is subject to (actual dates as per Annual DoRA framework):

- Submission of third quarter report, signed-off by the municipal Accounting Officer (AO) including the performance matrix with non-financial information
- Submission of a USDG performance matrix for the financial year, that is aligned to the municipal IDP, SDBIP and municipal budget, by end of May
- Submission of project information in format prescribed by DHS for assessment in the project readiness matrix

The flow of the second instalment will be conditional upon the:

- Submission of fourth quarter report signed-off by the AO of the municipality
- Submission of next financial year first quarter report signed off by the AO of the municipality to the Transferring National Officer (TNO) and the National Treasury
- Submission of the council approved SDBIP and IDP, the Outcome 8 delivery targets and the municipal human settlements development plan by end of October

The flow of the third instalment will be conditional upon the:

- Submission and approval of signed-off second quarter report by the AO to the TNO and the National Treasury
- Metros must prioritise at least 3 per cent of their allocation to bucket eradication programme and the upgrading of sanitation

Monthly financial reports will be required in terms of section 71 of the MFMA.

Quarterly reports on capital programme performance on the basis of the Service Delivery and Budget Implementation Plans (SDBIPs) will be expected to include agreed performance indicators, as adapted for specific municipalities on the basis of the generic indicators outlined in the policy.

This grant uses a performance framework which contains:

- City-specific problem analysis
- Human settlements strategy and targets
- Public transportation and spatial planning linkages
- Strategies for informal settlements, Greenfield and Brownfield development
- Financing strategy and instruments
- Subsidy and service standards

Various national, provincial and municipal responsibilities also exist.

Responsibilities of the national Department include (actual dates as per Annual DoRA framework):

- Develop proper indicators for the outcomes and outputs.
- Have a structured forum to meet with municipalities on a quarterly basis.
- Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities.
- Provide support to municipalities with regards to human settlement programmes.
- Undertake oversight visits to municipalities as may be necessary.
- Facilitate strategic and spatial planning support related to human settlements development.





- Submit an evaluation report on the municipal grant to National Treasury by end of October.
- Provide systems, including the Housing Subsidy System that supports the administration of the human settlement delivery process.
- Comply with the responsibilities of the TNO outlined in the Division of Revenue Act (DoRA).
- Review and approve USDG Performance Matrix.

Responsibilities of the provincial departments include:

- Promote and coordinate with the relevant municipalities, the planning, funding and implementation of human settlements and built environment programmes.

Responsibilities of municipalities include (actual dates as per Annual DoRA framework):

- Submit annual evaluation reports in terms of the USDG Performance Matrix, as contained in SDBIP, to the TNO on or before end of August.
- Submit monthly financial reports to the TNO 10 working days after the end of each month.
- Ensure that USDG Performance Matrix is consistent and aligned with national priorities and provincial human settlements plans.
- Comply with the terms and conditions of the receiving officer outlined in the DoRA.
- Submit USDG Performance Matrix with the relevant extracts from the SDBIP on proposed targets, outputs and outcomes in the application of the USDG in the municipality.
- Ensure compliance with required intergovernmental forums reporting and accountability framework for human settlements.

6. Municipal Human Settlements Capacity Grant (MHSCG)

6.1. Background on the MHSCG

The Municipal Human Settlements Capacity Grant (MHSCG) was meant to subsidise capacity in implementing the human settlements/housing function that was supposed to be transferred to the six (6) initially declared metropolitan municipalities (metros). The transfer was envisaged to occur in 2014; however, the Human Settlements MinMEC resolved that the Accreditation Programme should be reviewed in line with the new mandate of the human settlements sector. This resolution signified some changes on the MHSCG. It was agreed that the purpose of the Grant should be maintained while the conditions be changed. These changes were in line with the new mandate of the human settlements sector which provides for the packaging and implementation of mega/catalytic-projects, among other programmes.

The purpose of the Grant is to build capacity in municipalities to deliver and subsidise the operational costs of administering human settlements programmes. The conditions for the MHSCG include the following:

- Municipalities must submit capacity building business plans on how the grant is to be utilised and must be aligned to the human settlements master spatial planning framework.
- The flow of funds is subject to submission of business plans that will be approved by the National Department of Human Settlements.
- Alignment to the municipal plans or catalytic projects should be demonstrated.
- Funds must be spent in accordance with the approved business plans.
- Municipalities must utilise the grant to build capacity for the development of human settlements and such capacity should be demonstrated by expenditure on the Human Settlements Development Grant (HSDG), Urban Settlements Development Grant (USDG), and other associated budgets





These changes take place in the era where the number of metros were increased from the initial 6 to eight (8) with the inclusion of Mangaung Metro and Buffalo City Metro (BCM). The decision taken to further build capacity for the implementation of mega projects covers all 8 metros. As a result of this, all 8 metros are required to submit MHSCG business plan in line with the DoRA and the MHSCG Framework utilising the MHSCG guidelines. The National Department engaged all 8 metros in a workshop session in order to educate the metros on the MHSCG Framework and MHSCG guidelines, and also to discuss the revision of the Accreditation Programme.

6.2. Rationale

The strategic goal of MHSCG is to ensure effective management of human settlements programmes at local government level in line with the accreditation framework.

The grant purpose is to build capacity in municipalities to deliver and subsidise the operational costs of administering human settlements programmes.

The outcome statement for the MHSCG is to ensure:

- Human settlements programmes are administered by skilled personnel to ensure optimal service delivery
- Management information systems are in place and efficient to ensure that beneficiary management is effective, units and services delivered are appropriately recorded and accounted for

MHSCG outputs:

- Feasibility, design, planning, project management and monitoring capacity built in municipalities
- Organogram approved
- Capacity building plan in place

6.3. Reporting indicators and targets

Outputs and immediate result indicators and targets are as follows (to be populated per municipality):

The following KPIs have been selected based on the policy intent of the delegation of function for the administration of national human settlements programmes. The indicators will guide the level of support required by the particular municipality. The indicators need to be updated annually as a measure of the effectiveness of the support being provided and the capacity being created and to inform a revision of the business plan and its focus.

MUNICIPALITY	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Human Settlements Programmes: Subsidy Administration		Organogram incorporating Human Settlements function approved						
		Capacity Building Plan with Human Settlements function in place						
		Number of officials capacitated in conducting Feasibility Studies						
		Number of officials capacitated in Design						
		Number of official capacitated in Planning						
		Number of officials capacitated in Project Management						
		Number of officials capacitated in Monitoring						

6.4. Performance evaluation plan and reporting timeframes

Municipalities must comply with reporting requirements as specifically outlined below:

- Municipalities to submit a business plan on how the grant is to be utilised. The business plan must reflect the municipality's plans to develop capacity to deal with planning, programme and project management, subsidy and beneficiary management and financial management for human settlements and must be aligned to the catalytic mega projects set out in Outcome 8 of the 2014/15 – 2018/19 Medium Term Strategic Framework.





- The business plans should indicate the catalytic projects.
- Municipality plans or catalytic project/s must be aligned and reflect conformity to the Master Spatial Plan of the National Department Plan, particularly Chapter 8.
- Submit draft municipal business plans and compliance certificates to the national department by end of March and final plans by end of May.
- Funds must be spent in accordance with the approved business plans.
- The flow of funds is subject to submission of a business plan that will be approved by the national Department.

The grant is allocated to eight metropolitan municipalities initially identified to be assigned the housing function. Allocations are made up of a base allocation and a weighted share based on the number of households living in the municipality with a monthly income of less than R3 500 per month.

Responsibilities of the national Department include:

- Approve the national and municipal business plans and compliance certificates after consultation with relevant provincial departments.
- Provide frameworks for the development of municipal business plans by beginning of October.
- Provide capacity development support to municipalities.
- Undertake structured and other visits to municipalities as is necessary.
- Facilitate regular interactions between national, provincial and municipal departments of human settlements.
- Submit approved annual municipal and national plan to National Treasury by end of June.
- Submit an annual evaluation report on the performance of the grant to National Treasury by end of October.
- Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter.
- Establish national level institutional capacity support for municipalities.

Responsibilities of municipalities include:

- Submit draft municipal business plans and compliance certificates to the national Department and relevant provincial department by mid-March.
- Submit final municipal business plans including cash flow projections to the national Department and relevant provincial department by mid-May.
- Submit quarterly performance reports to the national Department and relevant provincial department.
- Submit the annual evaluation reports on their performance to the national Department and relevant provincial department by end-August.
- Municipalities should utilise the grant to develop capacity for the development of human settlements and such capacity should be demonstrated by expenditure on the Human Settlements Development Grant, Urban Settlements Development Grant and other associated budgets.
- Ensure effective and efficient utilisation of the grant.
- The monthly Division of Revenue Act expenditure and quarterly reports must be signed by the Municipal Manager.

Process for approval of the business plans:

- First draft municipal business plans for the financial year to be submitted to the national Department and relevant provincial department by mid- March.
- Submit final municipal business plans with cash flow projections and compliance certificates for the financial year to the national Department and relevant provincial department by mid-May.

6.5. Monitoring and evaluation process

The funds will be released to metros based on an approved payment schedule that will be compiled by the national Department after the successful joint evaluation of the business plans that will be submitted by metros in line with the dates as per the approved revised Grant Framework.





Therefore it is crucial that metros adhere to the submission dates for business plan, payment schedules and other compliance requirements. The national Department in conjunction with the province and its panel will undertake is this the accreditation task team. Quarterly visits to metros with a purpose of monitoring and evaluation of the metros' performance before actual transfer of funds.

7. Human settlements in mining towns

7.1. Background of human settlements in mining towns

Mining towns characterised by wide-scale informal settlements. The informal settlements are often located on tribal or privately owned land. Miners who stay in these informal settlements often do not qualify for government's full subsidy housing programme. Many mining companies have reached agreements with unions to pay a living out allowance – largely not used for decent housing and has led to many miners living in terrible conditions in backyards/informal settlements. The miners have high levels of indebtedness.

7.2. Rationale

Informal settlement upgrading projects are typically multi-year projects. There is a need to accommodate a diverse range of residents in the mining towns (upgrading of informal settlements, hostel upgrade, private rental/ownership, social housing, partially and fully subsidised housing).

In line with the IMC recommendation in August 2014, the NDHS together with its agencies will lead the process of development and implementation of the employer assisted housing financial model. This will form part of the Operational Arrangement for Support to the Mining Towns currently being put in place nationally and in provinces with HDA. A Steering Committee will be convened by NDHS comprising representatives from DPME, HDA, National Housing Finance Corporation, DMR, Rural Housing Loan Fund, the Chamber of Mines and Builders' Association of South Africa to deal with the various aspects of this financial modelling. Policy alternatives to the current provision of state subsidised housing will be identified and the response of the State to the challenges and who will be responsible to provide funding for the programme will be interrogated.

In addition to the rationale of the HSDG, specific objectives of projects in mining towns are:

- To assist the provincial and municipal spheres of government deliver sustainable human settlements by:
 - o Providing targeted financial and non-financial support, strategic management and oversight to the identified mining towns projects
 - o Assisting to fast-track service delivery at scale and reduce the increase in informal settlements
 - o Facilitating inter-sectoral collaboration to enable the delivery of socio-economic amenities
 - o Promoting the capability of the inter-governmental spheres to work collaboratively in the quest to deliver on government's mandate
 - o Ensuring the application of the national housing policy
- To improve living conditions in sustainable human settlements for the communities in the targeted areas
- To increase cooperation from sector departments in aligning their delivery and funding priorities with that of this Department
- To accelerate delivery of human settlements to address housing backlog
- To deliver human settlements that promote racial, spatial and socio-economic integration
- To fulfil mandates as espoused in the State of the Nation Address of the President and the Budget Speech of the Minister
- To address urbanisation and spatial structuring in a coordinated manner

In addition, funds have been added to informal settlement upgrading projects in the area of each respective mining town. These are additional funds and may not be used to replace existing baseline funds allocated to projects in these areas:

- Free State: Matjhabeng and Moqhaka
- Gauteng: Merafong; Mogale City; Randfontein; and Westonaria
- Limpopo: Thabazimbi; Greater Tubatse; Elias Motsoaledi; Lephalale; and Fetakgomo





- Mpumalanga: Emalahleni; Steve Tshwete; and Thaba Chweu
- Northern Cape: Tsantsabane; Ga-Segonyana; Gamagara; and Kgatelopele
- North West: Kgetlengrivier; Madibeng; Moses Kotane; Matlosana and Rustenburg

7.3. Reporting indicators and targets

Outputs and immediate result indicators and targets are (to be reported per project per mining town):

	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
MUNICIPALITY	Performance of ring-fenced funding projects	Number of settlements being assessed or planned through National Upgrade Support Programme (NUSP)						
		Number of beneficiary applications received in total						
		Number of beneficiaries approved						
		Number of sites serviced						
		Number of housing units completed						

8. Catalytic projects

8.1. Background

The Human Settlements Minister, L Sisulu pronounced (Budget Vote on 17 July 2014) that the Department will achieve 1.5 million housing opportunities, located in quality living environments by the year 2019. This pronouncement is supported by the 2014–2019 Medium Term Strategic Framework, which underpins the strategic actions required to increase the supply of housing opportunities using different tenure types to ensure the diversity necessary to address, social, spatial, economic and cultural needs.

In response to the prioritisation of escalating and meeting the exponential demands for the need of housing, the pronouncements asked for a focused deliberate approach, working twice as hard would be required to make up for

the drop in housing delivery over the previous years. Therefore the 2014–2019 Medium Term Strategic Framework focuses on reforms aimed at achieving the following:

- Ensuring that poor households have adequate housing in better living environments;
- Delivering settlements that are spatially, socially and economically integrated;
- Supporting the development of a functionally and equitable residential property market; and
- Improving institutional capacity and coordination for better spatial targeting.

Further pronouncements by the Minister, endorsed the participation and involvement of the public entity, Housing Development Agency (HDA) in the catalytic project process. In accordance with the MTSF 2014–2019, 50 catalytic projects must be nationally achieved over a 5-year period, aiming to address spatial, social, and economic integration, which includes priority precincts for restructuring, inner city renewal and regeneration, developing secondary cities and well located informal settlements.

8.2. Rationale

The definition of catalytic projects falls in the ambit of the universal definition of adequate shelter as coined in the Habitat Agenda, ***“adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost”***.

The definition further underpins the expression in the Comprehensive Plan for the Development of Sustainable Human Settlements, ***“well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity”***.





From the above, therefore, catalytic projects should be in line with international development objectives, address national and provincial priorities, be properly planned, targeted at settlements that have experienced neglect and under-investment (informal settlements, mining towns), exemplify sustainable development principles, address climate change and promote integrated human settlements. It is apparent then that a catalytic project should accelerate change, provide housing and all the social amenities, be sustainable and provide economic opportunities.

8.3. Framework and guidelines/criteria for assessing the catalytic projects

The following consolidated guideline/criteria read as follows:

- Is capable of achieving identified MTSF Strategic Objectives and national priorities;
- Is undertaken as a result of a pronouncement by the State President, Cabinet or the Minister of Human Settlements, MEC or a decision by MinMec or the Director-General of Human Settlements;
- Fulfils the intent of the Comprehensive Plan for Sustainable Human Settlements;
- Leverages corridor development and rehabilitation of small towns;
- Promotes Integration of Planning and Development (IDPs);
- Aligned to (or localising) provincial and national priorities;
- Promotes sustainability of the environment and promote Good Governance, Institutional Development and Financial Viability;
- Is well located – thus in areas providing easy access to job opportunities and is close to main transport arteries;
- Provides for a holistic development orientation where all the needs of the area/region are catered for in terms of land use rights thus catering for subsidised development through to areas for private sector development;
- Provides for adequate social and economic amenities such as health facilities, schools, community service centre, day-care facilities, taxi rank, sport and recreational amenities, stands for religious worshipping and police stations;

- A township layout that is consistent with innovative design, energy efficient layout for appropriate orientation of buildings, cater for higher densities, private rental provision on private properties, foster integration across culture and income provides for a mix of residential areas, business and commercial properties as well as properties earmarked for institutional use;
- Caters for municipal engineering services which are consistent with minimum norms and standards and are affordable and where the free basic services concession applies to all inhabitants;
- Caters for innovative building designs and materials that are durable and long lasting, complies with the energy efficient building regulations and that demonstrates delivery at scale;
- Demonstrates growth in property values and where a vibrant secondary and rental housing market strives that provide opportunities for affordable and higher income rental;
- Allocation of dedicated and committed ring-fenced funding with criteria and guidelines for the duration of the project lifecycle with clear set of deliverables; and
- Demonstrates inclusivity in the built environment emphasising gender sensitivity.

8.4. Right investment: Criteria for prioritisation of human settlements

In order to prioritise the following aspects are taken into consideration and balanced according to the strategic objective:

- Type of contribution of the settlement to South African economy
- Government plans and objectives to be met (NDP)
- Growth (increasing or declining) – economic and population (respond to urbanisation, curtail decline)
- Demographic profile and quantity
- Extent of the difference between supply and demand for adequate housing (housing need)
- Settlement type (municipal category)





- Housing challenge to be addressed as per local area
- Locality (related to mobility networks at various scales)
- Existing capacity (infrastructural and social amenities)
- Level of deprivation
- Critical mass for impact

8.5. Basis for spatial prioritisation

Spatial prioritisation in the human settlements sector is mainly guided by three main concepts:

- Investment areas
 - Focus on number of national, provincial and municipal programmes; Housing need; Growth in employment; Population growth; Gross value added (GVA) – measure value of goods and serviced produced – is output minus intermediate consumption; GVA growth; In-migration)
- Intervention areas
 - Focus on mining towns and niche towns (e.g. military veterans)
- Areas of deficiency (Deprivation – 95th percentile)
 - Focus on housing need; Lack of access to basic services; Number of people with no formal education; Number of unemployed people; Number of households with an income of less than R3 200,00 per month)

8.6. Right investment: Catalytic initiatives

The catalytic initiatives include:

- Critical services
- Emergency services

- Communal services
- Consolidate development
- Catalytic interventions

Catalytic projects can range from mega scale inclusionary neighbourhoods to seemingly small but high impact interventions. The underlying principle of all of these is that they are all spatially targeted interventions whose main objective is to:

- o Intervene to deliberately restructure settlement patterns; and
- o Create impact on the environment.

8.7. Creating collaborative investment

The instruments for creating collaborative investment are as follows:

- Infrastructure grants
- Spatial targeting instruments
- Plans

8.8. Using priority housing development areas (PHDAs) to implement catalytic projects

PHDA Policy and Regulations provides for declaration of a priority zone which enables:

- Consultation and coordination around development areas
- Spatial targeting at local area development
- Institutional arrangements to support distributed decision-making
- Ring-fenced appropriate programme budgets against development plans
- Provision for monitoring and evaluation





8.9. Reporting indicators and targets

Outputs and immediate result indicators and targets are (to be reported per project per catalytic project):

	Output	Indicators	Actual and/or targets per financial year					
			2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
PROVINCE	Land Auditing	Land area definition (designation diagram/map)						
		Individual property description and extent (SC Diagrams)						
	Land Acquisition	Secured land rights (sale agreement/expropriation notice/donation/DRA/LAA)						
		Property value (valuation report)						
	Land & Project Preparation (readiness of land)	Land status						
		Environmental approval						
		Planning approvals (development plan/township establishment zoning)						
	Built Environment	Project designs and approval (municipal approvals)						
		Project and funding approvals (Project agreement)						
		Provision of bulk infrastructure (engineering certificates)						
		Top structure construction (occupation certificate)						
	Performance of Projects	Number of beneficiary applications received in total						
		Number of beneficiaries approved						
		Number of sites serviced						
		Number of housing units completed using various housing options (ownership, rental/government subsidised, private funding, etc.)						
		Number of dwelling units delivered per hectare						

9. Equitable share

9.1. Background

Section 214(1) of the Constitution requires that every year a Division of Revenue Act (DoRA) determine the equitable division of nationally raised revenue between national government, the provinces and the municipalities. This process takes into account the powers and functions assigned to each sphere of government.

The Intergovernmental Fiscal Relations Act (1997) prescribes the process for determining the equitable sharing and allocation of nationally raised revenue. Sections 9 and 10(4) of the Act set out the consultation process to be followed with the Financial and Fiscal Commission (FFC), including considering recommendations made regarding the division of revenue. Section 10(5) of the Intergovernmental Fiscal Relations Act requires that the DoRA be accompanied by an explanatory memorandum detailing how it takes account of the matters listed in section 214(2) (a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities.

The Constitution assigns exclusive and concurrent powers and functions to each sphere of government. National government is exclusively responsible for functions that serve the national interest and are best centralised. National and provincial government have concurrent responsibility for a range of functions. Provincial and local government receive equitable shares and conditional grants to enable them to provide basic services, perform their functions and improve their efficiency, effectiveness and alignment with national strategic objectives.

Provinces have significant autonomy to allocate resources to meet human settlements needs and respond to provincial and local priorities, while giving effect to national priorities. The DoRA provides equitable shares to provinces and local government, which is an unconditional transfer of nationally raised revenue. This is in addition to the substantial own revenue-raising powers available to local government.





9.2. Rationale

The following provincial human settlement programmes are affected:

- **Programme 2: Housing Needs, Research and Planning:** To facilitate and undertake housing delivery and planning. This programme consists of four sub-programmes, namely:
 - o Administration: To provide administrative and/ or transversal project management services;
 - o Policy: To provide a regulatory framework for housing delivery, develop policy guidelines, proclamation of Acts and Amendments;
 - o Planning: To develop provincial Multi-year Housing Development Plans, properly plan provincial multi-year strategic housing plans; and
 - o Research: To conduct research on demand for housing.
- **Programme 3: Housing Development (Conditional Grant):** To provide individual subsidies and housing opportunities, including access to basic services, to beneficiaries in accordance with the housing code. This programme comprises five sub-programmes, namely:
 - o Administration: To provide administrative support funded from equitable share;
 - o Financial interventions: To facilitate immediate access to housing goods and services, creating enabling environments and providing implementation support;
 - o Incremental interventions: To facilitate access to housing opportunities through a phased process;
 - o Social and rental interventions: To facilitate access to rental housing opportunities, supporting urban restructuring and integration; and
 - o Rural interventions: To facilitate access to housing opportunities in rural areas.
- **Programme 4: Housing Asset Management Property:** To plan, facilitate and develop integrated and sustainable human settlements. The sub-programmes for this programme are:
 - o Sale and transfer of housing properties

- o Devolution of housing properties
- o Housing properties maintenance

The achievements of the programmes are based on the following strategic objectives:

Programme 2: Housing needs, research and planning

Purpose:

To facilitate and undertake housing delivery and planning

Strategic outcome-oriented goal:

Introduce a coordinated approach for human settlements through effective integrated development planning/human settlement planning

Strategic objective:

Integrate the work of different departments involved in human settlement development, using the Integrated Development Plans (IDPs) as the basis

Programme 3: Housing development

Purpose:

To provide individual subsidies and housing opportunities, including access to basic services, to beneficiaries in accordance with the housing code

Strategic outcome-orientated goals:

Accelerate the provision of housing opportunities including the prioritisation of serviced sites
Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries, tenants and owners

Strategic objectives:

Upscale the provision and implementation of serviced sites
Increase beneficiary involvement in development of housing opportunities
Enhancing the supply of new rental housing opportunities
Encouraging improved property management of rental stock

Programme 4: Housing asset management and property

Purpose:

To plan, facilitate and develop integrated and sustainable human settlements

Strategic outcome-orientated goal and objective:

Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries, tenants and owners





9.3. Reporting indicators and targets

All provincial departments will be expected to deliver on the following equitable share indicators and targets (to be populated quarterly per province):

	Output	Indicators	Actual and/or targets per QUARTER per financial year					
			2014/15	2015/16	2016/17	2017/18	2018/19	2018/19
PROVINCE	Housing Needs, Research and Planning	Number of pieces of provincial human settlements legislation passed (must be in line with national legislation)						
		Number of policies and implementation guidelines approved (must be in line with national policies and guidelines)						
		Part D of the Annual Performance Plan populated according to the prescribed format of National Treasury indicating planned targets and budget allocations over a five-year period						
		Number of approved human settlement projects contained in the IDP Chapter based on the objectives of Outcome 8 and representing national and provincial priorities						
		Number of municipalities that the provincial human settlements department is providing with technical support (including transfer of skills) to enable the municipality to produce development plans for human settlements projects						
		Number of project proposals for research studies approved						
		Number of reports developed in terms of approved research studies and approved for publication						

PROVINCE	Output	Indicators	Actual and/or targets per QUARTER per financial year					
			2014/15	2015/16	2016/17	2017/18	2018/19	2018/19
PROVINCE	Housing Development (Conditional Grant)	Number of new housing units completed (D3 certificate/happy letter) in the province across all housing programmes being utilised by the province						
		No. of new sites connected to basic services (provided with at least two of the following: water, sanitation, and electricity) as part of the Integrated Development Programme						
		No. of households connected to basic services (provided with at least two of the following: water, sanitation, and electricity) as part of the Informal Settlements Upgrading Programme (either in-situ or relocation)						
	Housing Asset Management & Property	Number of rental units sold to beneficiaries						
		Number of rental units transferred						
		Number of rental units devolved to municipalities in terms of section 15 of the Housing Act, 1997						
		Number of debtors reduced per financial year (refer to sale debtors, loan debtors and terminated rental debtors)						

9.4 Performance evaluation plan and reporting timeframes

The Annual Performance Plan (APP) of the provincial human settlements departments should make provision for quarterly reporting on the equitable share.





10. Environmental Implementation Plans (EIPs)

10.1 Background

The national Department of Human Settlements sets out the national legal and policy mandate of the department in accordance with international commitments. South Africa committed itself to the Habitat Agenda for sustainable human settlements. The agenda offers, within a framework of goals, principles and commitments, a vision of sustainable human settlements, where inter alia, all have a healthy and safe environment. In terms of the Habitat Agenda, of great significance is adequate shelter that is environmentally sound. Therefore, ensuring environmentally sound construction methods and technologies is amongst the objectives of the Habitat Agenda. The Habitat Agenda also confirms that sustainable human settlement development ensures economic development, employment opportunities and social progress, in harmony with the environment. It is important to support large numbers of people, at the same time limiting their impact on the natural environment. Hence, in achieving this, environmental protection is significant.

10.2 Rationale of the Environmental Implementation Plans

The primary purpose of Environmental Implementation Plans (EIPs) is to ensure coordination and harmony amongst environmental policies, plans, programmes and decisions of the various national departments that exercise functions that may affect the environment or are entrusted with powers and duties aimed at the achievement, promotion and protection of a sustainable environment in order to:

- a) Minimise the duplication of procedures and functions.
- b) Promote consistency in the exercise of impacting or management functions that may affect the environment.
- c) Give effect to the principles of cooperative governance.

It is the responsibility of the Director-General (DG) of the Department of Environmental Affairs (DEA) and the Com-

mittee for Environmental Coordination (CEC) to ensure on-going compliance monitoring in terms of the approved and gazetted EIPs. It is primarily through annual reports that compliance by departments to the commitments made in their EIPs is monitored, as well as the implementation of recommendations made in the alignment report.

All departments reporting on EIPs are required to adhere to certain reporting guidelines. For purposes of reporting on the fourth annual compliance report and future compliance reports, the reporting guidelines were reviewed, and the information required for future reporting on the annual reports is as follows:

- An overview of progress made regarding cooperative governance
- EIP/EMP implementation (compare against objectives set in the annual business plans)
- Progress made regarding indicators
- Adjustments made to the EIPs
- Compliance with EIP commitment by the local government

Mainstreaming, implementation and effectiveness indicators of the human settlements EIP

Mainstreaming of climate change actions	Outcomes of the implementation and effectiveness of adaptation plans/strategies
<ul style="list-style-type: none"> • More informed decisions based on outputs and enabling mainstreaming of adaptation to climate change into decision-making and development plans • More appropriate planning for concrete actions to adapt to climate change impacts • Better understanding of climate change, climate variability on a finer spatial resolution • Improved climate change and sea level rise scenarios for improved projections at the spatial and temporal and geographical scales 	<ul style="list-style-type: none"> • Improved vulnerability and adaptation assessments of key adaptation sectors • Improved assessment of technology needs • Enhanced research and systematic observation systems • Better understanding of education, training and public awareness needs • Information on constraints and gaps, and related financial, technical and capacity needs, as well as proposed and/or implemented activities for overcoming constraints to implement activities, measures, and programmes • Socio-economic scenarios available for use • Programmes responding to climate change • Data analysis





10.3. Recommendations for environmental management and related indicators

RECOMMENDED ACTION	OUTPUT	INDICATORS
1. Encourage environmentally sustainable land use development	• Densification and urban infill actively encouraged	• Urbanisation (urban vs. population: numbers, % and rate of growth per year)
	• Introduce measures to make well-located land available for low-cost housing	• New houses (number of new title deeds registered through the housing programme annually) Densification a) Average residential densities in urban areas per municipality (measured every 3 to 5 years) b) Number and percentage of medium density housing units developed through the housing programme per province per year
2. Promote integrated development planning	• Housing development and budgets linked with other sector requirements, with the entire process being streamlined to meet a set of minimum requirements	Planning a) Housing Chapter of IDPs compiled (Y/N) b) Provincial Multi-year Housing Development Plans (PHDPs) completed (Y/N) c) Compliance of PHDPs with local IDPs (Y/N) d) Citizen involvement in planning of housing developments (Description of participatory planning processes) Funding for integrated development a) Level of funding through Human Settlements Redevelopment Programme b) Level of public investment in new bulk infrastructure c) Level of public investment in informal settlements upgrading
3. Enhance spatial planning for the development of sustainable human settlements	• Approved spatial planning framework	• Number of projects developed in accordance with approved spatial planning framework
4. Address the needs and priorities of people in informal settlements	• National housing budget increased	• Security of tenure (tenure types nationally –Census) • Access to services (No. of households without clean drinking water, sanitation and electricity) • Housing rights – are there impediments to any person owning or inheriting land?

RECOMMENDED ACTION	OUTPUT	INDICATORS
5. Promote environmentally sound low cost housing	<ul style="list-style-type: none"> • Water and energy-efficient housing • Planting of trees promoted in low-cost housing projects 	<p>Resource use</p> <ul style="list-style-type: none"> a) Water consumption (litres per day per person) b) Cost of water (median price per 1 000ℓ of water) c) Energy consumption (domestic consumption per year, by fuel type) d) Cost of energy (price per fuel type) e) Affordability (% of household income spent on energy by income category) <p>Quality of resources</p> <ul style="list-style-type: none"> a) Air quality (number of days/year with unacceptable air quality) b) Water quality (number of cases of water-borne diseases per year) <p>Environmentally sound housing</p> <ul style="list-style-type: none"> a) National Building Regulations reviewed to promote energy and water efficient construction. b) Number of trees planted with new subsidised houses. c) Ceilings in subsidised housing units (as a % of the total built per year)
6. Planning for housing development	<ul style="list-style-type: none"> • Land acquisition entity established 	Proactive identification, acquisition, assessment and release of housing land





10.4. Reporting indicators and targets

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Densification and urban infill actively encouraged	Urbanisation (urban vs. population: numbers, % and rate of growth per year)						
Introduce measures, to make well located land available for low cost housing	<ul style="list-style-type: none"> • New houses (number of new title deeds registered through the housing programme p.y.) <p>Densification</p> <ul style="list-style-type: none"> a) Average residential densities in urban areas per municipality (measured every 3 to 5 years) b) Number of medium density housing units developed through the housing programme per province p.y. c) Percentage of medium density housing units developed through the housing programme per province p.y. 						
Housing development and budgets linked with other sector requirements, with the entire process being streamlined to meet a set of minimum requirements	<p>Planning</p> <ul style="list-style-type: none"> a) Housing Chapter of IDPs compiled (Y/N) b) Provincial Multi-year Housing Development Plans (PHDPs) completed (Y/N) c) Compliance of PHDPs with local IDPs (Y/N) d) Citizen involvement in planning of housing developments (Description of participatory planning processes) <p>Funding for integrated development</p> <ul style="list-style-type: none"> a) Level of funding through Human Settlements Redevelopment Programme b) Level of public investment in new bulk infrastructure c) Level of public investment in informal settlements upgrading 						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Approved spatial planning framework	<ul style="list-style-type: none"> Number of projects developed in accordance with approved spatial planning framework 						
National Housing Budget increased	<ul style="list-style-type: none"> Security of tenure (tenure types nationally – Census) Access to services (No. of households without clean drinking water, sanitation and electricity) Housing rights – are there impediments to any person owning or inheriting land? (Y/N) 						
Water and Energy Efficient Housing Planting of trees promoted in low cost housing	<p>Resource use</p> <ul style="list-style-type: none"> a) Water consumption (litres per day per person) b) Cost of water (median price per 1 000ℓ of water) c) Energy consumption (domestic consumption per year, by fuel type) d) Cost of energy (price per fuel type) e) Affordability (% of household income spent on energy by income category) <p>Quality of resources</p> <ul style="list-style-type: none"> a) Air quality (number of days/year with unacceptable air quality) b) Water quality (number of cases of water-borne diseases per year) <p>Environmentally sound housing</p> <ul style="list-style-type: none"> a) National Building Regulations reviewed to promote energy and water efficient construction (Y/N) b) Number of trees planted with new subsidised houses. c) Ceilings in subsidised housing units (as a % of the total built per year) 						
Land acquisition entity established	Proactive identification, acquisition, assessment and release of housing land						





10.5. Performance evaluation plan and reporting time frames

In line with the compliance with Environmental Implementation Plans (EIPs) and Environmental Management Plans (EMPs), Chapter 3, section 16(1)(a) of NEMA 1998; it is stated that every organ of state must exercise every function it may have, or that has been assigned or delegated to it, by or under any law, and that may significantly affect the protection of the environment substantially in accordance with the EIP or the EMP prepared, submitted and adopted by that organ of state in accordance with this Chapter. Provided that any substantial deviation from an EIP or EMP must be reported forthwith to the Director-General: Environmental Affairs, who acts as the chairperson and the Committee for Environmental Coordination (CEC). (b) Every organ of state must report annually within four months of the end of its financial year on the implementation of its adopted EMP or EIP to the Director-General: Environmental Affairs and the CEC.

11. Institutions

11.1. Background on institutions

The Constitution of the Republic of South Africa, 1996, (hereinafter referred to as the Constitution) is the founding document for the provisioning of housing in South Africa. Section 26(1)(2) of the Constitution states that “access to adequate housing” is every citizen’s right. This means that the government is mandated to implement laws, programmes and any other initiatives or vehicles necessary to ensure the progressive realisation of this right.

The establishment of such human settlements institutions for purposes of human settlements development by the Executive Authority, through section 3(4) (h) of the Housing Act, is one of government’s interventions to accelerate the delivery of houses. Human settlements institutions are established to facilitate the specific housing and housing-related needs of the market, correct market behaviour; leverage housing finance from the private sector for human settlement development; play a risk mitigation role (whilst acting as guarantors and wholesale providers of funding); provide bridging finance; encourage lenders to engage with the low-income market; play a regulatory, arbitrary and consumer protector role; and support human settlement development through land identification, acquisition, and lease.

The housing institutions can be divided into three broad categories: development finance institutions, regulatory and consumer protection institutions, and national development of institutions. Currently, there are eight human settlements institutions reporting to the Ministry of Human Settlements, as follows:

- **National Housing Finance Corporation (NHFC):** The NHFC has a schedule 3A status in terms of the PFMA and is a section 32 company established under the old Companies Act of 1973 via cabinet decision. NHFC plays a critical role as a financier and facilitator in the human settlements arena by provision of housing finance solutions, facilitating increased and sustained lending by financial institutions to the affordable housing market, and mobilising funding from the private sector into the human settlements space. A summary of the NHFC mandate is to standardise, streamline, align and centralise all the processes around the planning and administration of FLIS; introduce a 'one-stop shop' experience with PHSD, financial institutions, property developers and other role-players for ease of access to FLISP for the targeted beneficiaries; and together with relevant stakeholders, undertake awareness campaigns, to make the public aware of FLISP. Established as a Development Finance Institution (DFI) in 1996, the institution funds private inner city landlords, social housing landlords as well as instalment sale subsidised projects, and awards incremental loans, providing borrowers with an opportunity to improve their current homes or to build a home in an incremental way by making successive loans in the range of R10 000 to R15 000. Certain intermediaries offer mortgage loans in addition to incremental loans.
- **National Urban Reconstruction and Housing Agency (NURCHA):** NURCHA is a non-profit company in terms of the new Companies Act of 2008 and a schedule 3A in terms of PFMA. NURCHA's mandate is spelt out in the South African Government/OSI/SEDF/NURCHA Agreement as an institute that will ensure availability of bridging finance to small, medium and established contractors and developers building low and moderate income housing and related community facilities and infrastructure. To achieve this, NURCHA initiates programmes and takes considered risks to ensure a sustainable flow of finance for the construction of low-income and affordable housing and community facilities and infrastructure directly. In its quest for diversification NURCHA has recently embarked on programme management such as the fee-based business. NURCHA may, with the permission of its board, and with the necessary permission in terms of the PFMA, provide other forms of financing to assist in the development of empowered construction and development companies.
- **Rural Housing Loan Fund (RHLF):** RHLF has a schedule 3A status in terms of the PFMA and is registered as





a non-profit company in terms of the Companies Act of 2008. The mandate confirmed by the Executive Authority is to provide affordable housing, micro credit to low-income rural households, and is so doing, empowering them to maximise their housing choices and improve their living conditions incrementally with access to housing credit from sustainable retail lenders.

- **National Home Builders' Registration Council (NHBRC):** The NHBRC has a schedule 3A status in terms of the PFMA. The NHBRC is a statutory body with the responsibility to regulate the South African home building industry and to protect the interests of the housing consumer in terms of the Housing Consumers Protection Measures Act (Act No. 95 of 1998), as amended. The NHBRC's mission is to protect the housing consumer and regulate the home building environment by promoting innovative home building technologies, setting home building standards and improving the capabilities of home builders. The institution is also tasked with providing customer care services to all stakeholders in the home building industry, capacitating housing consumers about their rights, duties and obligations, building the capacity of home builders, promoting quality and innovative construction in the home building industry and promoting and maintaining ethical standards in the home building industry.
- **Social Housing Regulatory Authority (SHRA):** SHRA has a section 3A status in terms of the PFMA and was established in terms of the Social Housing Act, Act 16 of 2008, to support social housing, as a component of housing specifically, and sustainable integrated human settlements more broadly. The purpose of the SHRA is to invest, regulate and support the performance of the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects in line with national government's human settlements programme. The SHRA is responsible, as per the Act, to regulate all social housing institutions and is also responsible for approval and funding of social housing projects through its Investment Programme.
- **Estate Agency Affairs Board (EAAB):** The Estate Agency Affairs Board (EAAB) has a section 3A status in terms of the PFMA and was established in 1976 in terms of the Estate Agency Affairs Act 112 of 1976 ('the Act'). The primary mandate of the EAAB is to regulate and control certain activities of estate agents in the public interest. A Fidelity Fund Certificate, which is to be renewed each year, is issued as evidence of such registration and confirmation that such person is legally entitled to carry out the activities of an estate agent.
- **Sectional Title Ombud Service (STOS):** The STOS has a schedule 3A status in terms of the PFMA and was

established in terms of the Community Schemes Ombud Service Bill (2010) to regulate the conduct of all estate agents.

- **Housing Development Agency (HDA):** The HDA has a schedule 3A status in terms of the PFMA. In terms of the Housing Development Agency Act, this institution is a national public development agency that promotes sustainable communities by making well-located and appropriately-planned land and buildings available for the development of human settlements. As its primary activity, the HDA assembles state, private and communal land and buildings and releases it for development. In addition the HDA provides project delivery support services to organs of state at local, provincial and national level.

The National Development Plan (NDP) and the New Growth Path (NGP), both important economic development plans, have outlined the policy context of a developmental state and acknowledge the critical role of state-owned companies as agents of economic development. The challenges faced by institutions operating in the human settlement environment have specific reference and implications to the contribution of the institutions to the human settlement discourse. This means that the institution's regulatory framework and the setting of norms and standards must take into consideration the constraints posed by socio political imperatives.

11.2. Rationale

Approximately 70% of households in South Africa were excluded from access to housing credit through the formal banking sector. Through the housing subsidy scheme, the lower 40% of households, for which housing credit is not a viable option, were provided with a government subsidised housing unit. The upper income bracket of the subsidy scheme, require end user finance to access a housing product. Thus 30% of the South African population were/are under- or unserved as a result of:

- The conventional banking sector being unable to service them due to structural incompatibilities
- Insufficient capacity in the emerging, increasingly successful but inadequately funded specialised lending sector
- Insufficient focus by government and the private sector on alternative tenure forms.

Following intensive local and international research, the national Department of Human Settlements concluded





that four mutually comprehensive and supportive approaches should be adopted in order to assist the under- and unserved portion of the population to access housing. These are:

- Government initiatives aimed at facilitating and encouraging the formal banking sector to increase lending to the lower end of the housing market
- Proactive steps to foster growth and development of the emerging alternative lending sector
- A major initiative to stimulate the provision of housing under a variety of tenure options
- Mechanisms to substantially promote and expand the amount of personal savings mobilised in the housing process.

The stabilisation of the housing market was one of the key focus areas of the democratic government when it came into power after the democratic elections. In an attempt to steady the housing market, the Botshabelo Accord of 27 October 1994 saw representatives of the homeless, financial institutions, civil society, government, and established and emerging builders, all committing to building viable communities across the country and overcoming the legacy of the past which had made housing an instrument of discrimination. Each representative group made a pledge in embracing the Accord. A Record of Understanding (RoU) with the Banking Association of South Africa (BASA) was also established to encourage the financial sector to resume lending in the lower end of the housing market.

Government pledged to provide support infrastructure for the delivery of housing, and the critical role of Government's within this undertaking would be to create an enabling environment – more so in the low-income market, than in the high-income market. It was on the basis of this commitment that housing support institutions were established to provide a bridging role between subsidy provision and market forces.

The defective products delivered by developers and contractors in the home building industry have disadvantaged consumers and, in many instances, caused problems for lenders through default in mortgage bond repayments. The RoU and the 1995 Housing White Paper called for the establishment of a central product defects warranty fund to underwrite the products delivered by accredited contractors. As such, four entities were established simultaneously by the government to promote social and economic development within South Africa, such as job creation, provision of low cost housing, agricultural finance, infrastructure development, and mostly, to correct the market's disjuncture.

The Estate Agency Affairs Board (EAAB) was established to regulate the conduct of all estate agents. The NHBRC was established to regulate the home building industry and protect housing consumers. Due to lack of funding from commercial banks to emerging black contractors, in 1995 the Department of Human Settlements recognised the need to establish NURCHA to provide bridging finance to contractors building low and moderate-income housing. The NHFC, on the other hand, was established as a result of a Cabinet decision in May 1996, as envisaged in the White Paper on Housing, to search for new and better ways to mobilise finance for housing, from sources outside the state, in partnership with the broadest range of organisations. Also established in 1996, the RHLF was established to utilise a grant of DM50-million by the German government Development Agency, KfW, for rural housing. RHLF lends money through intermediary retail finance companies to low-income people in the rural areas. For national public development, the HDA was established to promote sustainable communities by making well-located land and buildings available for the development of housing and human settlement development. As government recognised the important contribution of social housing, another regulator, the SHRA (replacing the Social Housing Foundation – now closed), was established in 2010, to build the social and rental housing sector, and regulate the flow of investment funds into well located projects. The Department is in the process of establishing another regulator, arbitrator and consumer protector, the Sectional Titles Ombud Service (STOS), to provide dispute resolution services to sectional titles, share block companies, etc.

All human settlements institutions play a critical role in the respective housing and human settlements spheres to assist the national department and the broader government to achieve its human settlements goals and objectives. It must be noted however, that the national department establishes human settlements institutions following the identification of a gap in the human settlements sphere, with the institution as a special purpose vehicle to fill that gap. Once the dysfunctionality has been corrected, the mandate of that institution may no longer be relevant, and the institution may cease to operate.

11.3. Reporting indicators and targets

Treasury Regulation 30.1.1 (currently under review), and the Framework on Strategic Plans and Annual Performance Plans, require the Accounting Authority of a public institution to submit a proposed Strategic Plan (once ev-





ery five years) and an Annual Performance Plan (annually) for approval by the Executive Authority. Once approval has been granted, in compliance with Treasury Regulation 26.1.1, the designated Accounting Officer of the institution must ensure that within thirty days of the end of each quarter, the institution submits information on its actual revenue and expenditure up to end of that quarter, as well as information on the service delivery performance of the institution for the quarter against the approved performance targets in the approved Strategic Plan and Annual Performance Plan.

Critical to the above is the establishment of procedures for quarterly reporting to the Executive Authority in order to facilitate effective performance monitoring, evaluation and corrective action. Uniform reporting becomes imperative. As such, the Department has developed a Policy Framework and Implementation Guidelines for public institutions reporting to the Department of Human Settlements. Over and above the reporting procedures, processes and timeframes, the roles and responsibilities of the institutions and the Department, the policy is also embedded with the strategic outcomes and reporting indicators of each institution for performance monitoring purposes.

The strategic objectives and Key Performance Indicators (KPIs) per institution are outlined below.

11.3.1 NHFC reporting indicators and targets

NHFC's strategic outcomes are:

- Expand housing finance activities, through the effective provision of housing finance solutions, enabling low- to middle-income households to have the choice of renting, owning or incrementally building to meet their housing needs.
- Facilitate increased and sustained lending by financial institutions to the affordable housing market.
- Mobilise funding into the human settlements space on a sustainable basis, in partnership with a broad range of institutions.
- Conduct the business activities of the NHFC in an ethical manner that ensures the continued economic sustainability of the NHFC, while promoting lasting social and environmental development.

- Stimulate the low- to middle-income housing sector by providing robust, relevant and timely research and market analysis to practitioners and housing customers.

The mission of the NHFC is as follows: 'To provide innovative and affordable housing finance solutions to the low- and middle-income housing market.

The NHFC's KPIs and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Projects	<ul style="list-style-type: none"> • Number of loans approved • Value of loans approved (R'000) • Value of loans disbursed (R'000) • Number of units delivered • Number of projects approved to expand housing finance activities • Number of housing opportunities created through loans for housing units • Number of beneficiaries benefiting • No. of direct job-days created (the combined number of work days to perform a task) • Value of disbursements targeted towards women-managed/owned companies (R'000) 						
Commercial	<ul style="list-style-type: none"> • Number of incremental loans approved • Value of incremental loans approved (R'000) • Value of loans disbursed (R'000) • Number of housing opportunities created through incremental loans • Number of beneficiaries benefiting • Number of mortgage loans approved • Value of mortgage loans approved (R'000) • Number of housing opportunities created through commercial mortgage loans • Number of beneficiaries benefiting 						





Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Leveraged Funds	<ul style="list-style-type: none"> • Number of co-financing arrangements in place • Value of co-financing arrangements in place (R'000) • Value of mortgage loans (R'000) • Value of leveraged funds for projects (R'000) • Value of leveraged funds for commercial (R'000) • Value of leveraged funds for strategic investments (R'000) • Value of leveraged funds for retail (R'000) • Number of beneficiaries benefiting 						
Mortgage Insurance	<ul style="list-style-type: none"> • Number of new lenders stimulated • Number of new housing products • Number of applications received/approved • Number of new loans for the GAP market coming out of the MDI 						
Strategic Investments	<ul style="list-style-type: none"> • Number of strategic investments approved to expand housing finance activities • Value of strategic investment loans approved (R'000) • Value of disbursements on strategic investments loans (R'000) • Number of housing opportunities created through strategic investments • Number of retail loans approved to expand housing finance activities • Value of retail loans approved (R'000) • Value of disbursements on retail loans (R'000) 						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Provincial Impact	<ul style="list-style-type: none"> • Number of incremental loans in each province • Value of incremental loans in each province (R'000) • Number of mortgage loans in each province • Value of mortgage loans approved in each province (R'000) • Value of mortgage loans disbursed in each province (R'000) • Number of social housing units in each province • Value of social housing units in each province (R'000) • Number of mortgage loans from the MDI in each province • Value of mortgage loans from the MDI in each province (R'000) • Number of beneficiaries benefiting in each province • No. of direct job-days created (the combined number of work days to perform a task -see definition) 						

11.3.2 NURCHA reporting indicators and targets

Strategic outcomes of NURCHA are:

- Maximise business growth of existing lending programmes through full utilisation of available resources.
- Contribute to the delivery of Outcome 8 through interventions in the following areas:
 - o Establish and implement contractors finance and development programmes;
 - o Pursue fee based programme and project support with implementing authorities; and





- o Low-cost housing, serviced sites and services opportunities, and develop new financial instruments to encourage private sector investment in human settlements.
- Improve client/customer, market and stakeholder relations.

NURCHA's mission entails: 'NURCHA initiates programmes and takes considered risks to ensure a sustainable flow of finance for the construction of low-income and affordable housing, community facilities and infrastructure. NURCHA works in partnership with all role-players in these markets to maximise the development of sustainable human settlements'.

NURCHA's KPIs and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Subsidy Housing: Houses and Serviced Sites	<ul style="list-style-type: none"> • Number of contracts signed • Houses and sites in signed contracts • Value of loans signed • Value of projects completed • Number of houses built and sites serviced 						
Affordable Housing: Houses and Serviced Sites	<ul style="list-style-type: none"> • Number of contracts signed • Number of houses and serviced sites in signed contracts • Value of loans signed (R'000) • Value of projects completed (R'000) • Number of houses built and sites serviced 						
Infrastructure and Community Facilities	<ul style="list-style-type: none"> • Number of contracts signed • Value of loans signed (R'000) • Value of projects completed (R'000) • Number of projects completed 						
Rural Development Programme	<ul style="list-style-type: none"> • Number of houses delivered • Number of village builders trained • Number of jobs created 						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Contractor Finance and Development Programme	<ul style="list-style-type: none"> Number of contractors given bridging finance Number of contractors trained and mentored Number of houses delivered Number of jobs created 						
Free State Support Programme	<ul style="list-style-type: none"> Number of projects and programmes supported Number of technical staff recruited Delivery of the Information management tools/systems 						
Eastern Cape Support Programme	<ul style="list-style-type: none"> Number of houses delivered Number of village builders trained Number of jobs created 						
Contractor Finance and Development Programme	<ul style="list-style-type: none"> Number of contractors given bridging finance Number of houses delivered Number of jobs created 						
Vulindlela Programme	<ul style="list-style-type: none"> Compliance with payment turnaround times Internal audit report on fund management 						
Capacity support assignments	<ul style="list-style-type: none"> Number of support programmes signed 						

11.3.3 RHLF reporting indicators and targets

RHLF's strategic outcomes comprise the following:

- To be self-sustaining in terms of financial performance.
- To achieve stakeholder/client performance impact in terms of mandate:
 - o Grow the loan book and enhance RHLF's ability to attract commercial co-funders and development partners for rural housing delivery. This is measured by looking at the following: value of loans in place; percentage of impaired provision; cash disbursements to intermediaries; total disbursements (including mezzanine) to intermediaries;





- o Broaden and deepen the reach of rural housing finance. This measures the RHLF impact as set out in its mandate. This is measured by looking at the following: Number of end-user loans granted; average end user loan size; qualifying housing use; percentage of end-user loans granted to borrowers earning below R3 500; percentage of end-user loans granted to borrowers earning above R9 800 per month; and
 - o Build lending capacity and competitiveness of the retail intermediary network. This objective is measured by the following: number of retail intermediaries and number of community-based organisations.
- To ensure continued improvement in RHLF's internal business process.
 - To ensure continuous learning and growth.

The mission of the RHLF is as follows: 'To empower rural people to maximise their housing choices and improve their living conditions with access to credit from sustainable retail lenders'.

RHLF's KPIs and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Building lending capacity and competitiveness of intermediary networks	<ul style="list-style-type: none"> • Number of retail intermediaries • Number of community-based organisations (intermediaries) 						
Achieve visibility for RHLF to enhance attraction of lenders and partners	<ul style="list-style-type: none"> • Value of loans in place (R'000) • Percentage impairment provision • Disbursements to retail intermediaries • Disbursements to retail intermediaries including mezzanine 						
Broaden and deepen the reach of rural housing finance	<ul style="list-style-type: none"> • End-user loans disbursed • Average end-user loan size • Qualifying housing use target (% of loan instances) • Percentage of loans to households earning R9,800 or more • Percentage of loans to households earning R3,500 or less 						

11.3.4 NHBRC reporting indicators and targets

NHBRC's strategic outcomes are:

- Develop, diversify and sustain NHBRC revenue streams.
- Maximise return on investment.
- Develop and diversify NHBRC products and services.
- Provide quality services.
- Maintain effective operating policies and procedures.
- Integrate business systems and processes.
- Improve visibility and accessibility in the market while enhancing interaction with our stakeholders.
- Position the NHBRC as a leader in knowledge creation, technical and technological building solutions through strategic partnerships.
- Provide diversified services and products in line with changing building requirements and needs.

The mission of the NHBRC is as follows:

- To protect the housing consumer and to regulate the homebuilding environment by promoting innovative homebuilding technologies, setting homebuilding standards and improving the capability of home builders.





NHBRC's KPIs and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Administration	<ul style="list-style-type: none"> • Percentage completion of SAP segment 2 • Percentage completion of new SAP functionality • Nationwide ERP support • Decommission legacy systems • Implement IT facilities redundancy (power, networks, cooling) • Technical training (SAP) • Refresh hardware (servers) • Implement back-office systems (monitoring, patch distribution) • Disaster recovery Capability – conduct two DR tests (one IT and one business) • Develop IT related policies & procedures • Software licensing • Maintenance of uptime • Percentage achievement of employee satisfaction corrective management plan • Percentage execution of HR re-engineering strategy • Percentage of controllable expenditure to exceed revenue. • Percentage resolution of audit findings • Percentage spent on BEE • Percentage implementation of audit plan • Percentage investigation of fraud incidents reported 						

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Regulation	<ul style="list-style-type: none"> • Percentage of registration of homebuilders • Percentage notification of renewals of homebuilder registrations • Percentage renewal of active homebuilders • Achieve a ratio of four for subsidy inspection • Achieve a ratio of four for non-subsidy inspection • Number of home inspectors to be trained • Number of homebuilders to be trained • Number of people to be trained in Government projects (youth, women, people with disabilities and military veterans) 						
Consumer Protection	<ul style="list-style-type: none"> • % of project enrolments • % of home enrolments • % of late enrolments certificate issued • % execution of the customer perception survey • % of late home enrolment • Number of days it takes to conduct forensic investigation • Number of days it takes to conduct geo-technical investigation • % implementation of approved risk plan • % implementation of safety, health and environment (SHE) plan • % implementation of the fraud plan 						





Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Non-subsidy Sector	<ul style="list-style-type: none"> • % of normal enrolments developed • % of problematic soil type enrolments (dolomitic, P-type, etc.) • % of multi-storey/rational design enrolments • % execution of integrated marketing communication strategy • % of complaints investigated and concluded within 30 days from date of capture (research) • % of conciliations concluded within 30 days from date of escalation • Number of days it takes to hand over site for remedial work from date of escalation • Suspension of defaulting home builders in terms of the Act • Prosecution of defaulting home builders in terms of the Act • Implementation of the annual compliance plan • Number of days taken to evaluate structural claims • Number of training sessions conducted in provinces • Number of days it takes to ensure that subsidy projects are enrolled timeously. • % review & publish the Home Building Manual • Review & revise the Research Agenda • Number of projects using innovative building • Certification of inspectors by ECSA • Number of technical publications (research) developed 						

11.3.5 SHRA reporting indicators and targets

Strategic outcomes of SHRA entail:

- Regulation of the sector.
- Capital investment in respect of social housing projects.
- Institutional investment in respect of institutional development and accreditation, project packaging, and risk management.
- To promote the development and awareness of special housing.
- To provide advice and support to the NDoHS in its development of policy for the social housing sector and facilitate national social housing programme.
- To advise the Minister on developments in the social housing sector.
- To promote an enabling environment for the growth and development of the social housing sector.
- To provide best practice information and research on the status of the social housing sector.
- To support provincial governments with the approval of project applications by SHIs.
- To assist, where requested, in the process of the designation of restricting zones.
- To enter into agreements with provincial with provincial governments and the National Housing Finance Corporation to ensure the coordinated exercise of powers.
- Widening the range of housing options available to the target beneficiary group.
- Well-managed social housing estates.
- Sustainable SHIs.





- Optimum use of state investment in social housing projects.
- Protection of state assets.
- Sustainability of the social housing programme.

The mission of SHRA is as follows:

The SHRA will regulate and invest to deliver affordable rental homes and renew communities.

The SHRA's KPIs and targets are:

- Regulatory programme: Regulate and support SHIs, cooperatives and other delivery agents
- Investment programme: Support and enhance SHIs and other delivery agents to enable delivery of SH units
- Institutional investment programme: Promote and support the performance of the social housing sector

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Regulatory programme	<ul style="list-style-type: none"> • Regulated SH units • Bring 80% of social housing units developed using state funds under regulation by 2019 • Reclaiming 35% of hijacked social housing buildings • Implement a long-term accreditation framework by 2017 • 70% of all SH stock managed by fully accredited SHIs by 2018 • 100% of all BCAs undertaken by the SHIs via automated system by 2018 • 100% of all tenant income audit undertaken by the SHIs via automated system by 2018 • 100% of all tenant satisfaction survey undertaken by the SHIs via automated system by 2018 						
Investment Programme	<ul style="list-style-type: none"> • Approval of number SH units • Number of calls for proposal per year • 100% of all project application received during the calls for proposal are pre-assessed and assessed • All project assessment feedback is communicated within 90 days of project submission date • Monthly project reports are produced for 100% of the projects under construction • 100% of project capital payments are released in accordance with the SHRA Capital Investment Policy • Close-out reports are developed for all completed projects • 100% of all projects approved are within the demarcated 						
Institutional Investment Programme	<ul style="list-style-type: none"> • Approval of (number) institutional investment grants • Completion of 100% grant projects approved in previous financial year 						





11.3.6 EAAB reporting indicators and targets

The EAAB outcomes are:

- To improve compliance with the Estate Agency Affairs Act.
- To build capacity of key stakeholders. And professionalise the Estate Agency sector.
- To improve the effectiveness and efficiency of the EAAB.
- To increase stakeholder awareness of the EAAB and its role and services.
- To effectively and efficiently control and manage the Fidelity Fund.
- Elimination of backlog in the issue of title deeds to owners of subsidised housing.

The mission of the EAAB is as follows:

'Ensure that the integrity of the transaction between the estate agent and consumer is of a high standard by regulating, protecting, guiding and enhancing the conduct of the estate agents' profession in South Africa through:

- Registration: registration and issue of fidelity fund certificates to qualifying applicants;
- Education: prescribing and monitoring the standard of training and practical experience required by estate agents;
- Discipline: investigating complaints on behalf of consumers against estate agents and instituting disciplinary proceedings against offending estate agents;
- Inspection: conducting regular inspection of estate agencies;
- Claims: management, preservation and control of the Estate Agents Fidelity Fund;
- Anti-money laundering: to act as the Supervisory Body for the estate agency sector'.

The EAAB's KPIs and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Compliance	<ul style="list-style-type: none"> • Increase percentage of complaints logged, investigated and resolved within 6 months • Increase percentage of cases for prosecutions opened and finalised within 6 months • Number of estate agencies inspected • Percentage increase of issued FFC within 5 days of receipt of completed and compliant applications • Percentage increase of issued FFC within 21 days of receipt of completed and compliant applications 						
Education and training	<ul style="list-style-type: none"> • Percentage increase in NQF Levels 4 & 5 candidates enrolled completed PDE and received results • Increase percentage of full status estate agents compliant with CPD obligations • Consumer awareness campaign performed • Estate agents campaigns performed • Number of agent magazines published 						
Claims approved for payment by Fidelity Fund	<ul style="list-style-type: none"> • Percentage increase of claims processed and finalised for payment within 6 months • Percentage increase of claims recoveries processed and finalised within 6 months 						
Administration	<ul style="list-style-type: none"> • Percentage decrease in audit issues raised and resolved per agreed time period • Percentage decrease in vacant positions of EXCO and MANCO • Percentage increase in achievement of targets by the ICT process • Percentage increase in queries received responded to within 48 hrs 						
Title Deeds	<ul style="list-style-type: none"> • Percentage increase in title deeds issued to owners of Pre-94 stock subsidised houses • Percentage increase in title deeds issued to owners of post-94 stock subsidised houses 						



11.3.7 HDA reporting indicators and targets

HDA strategic outcomes are:

- Create sustainable human settlements and improved quality of household life.
- Contribute to accelerated delivery of sustainable human settlements.
- Develop and lead a national sector-wide land assembly strategy and programmes for sustainable human settlements in partnership with organs of state and other key sector stakeholders.
- Provide land and housing development support services to our partners to achieve key national strategic priorities relating to human settlements.

The mission of the HDA is fast-tracking the acquisition and release of state, private and communally owned land for human settlement developments.

The HDA's KPI's and targets are:

Output	Indicators	Actual and/or targets per financial year					
		2013/14 Baseline	2014/15	2015/16	2016/17	2017/18	2018/19
Land strategy and planning	<ul style="list-style-type: none"> • Number of national sector-wide land assembly strategies agreed and endorsed by the Board and submitted to NDHS and implementation thereof commenced 						
Land and Housing Support Services	<ul style="list-style-type: none"> • Number of hectares of suitable land released for human settlement development • Number of projects supported with HDA services • Number of provinces/ municipalities supported with HDA services • Number of IGR protocols established and maintained • Number of priority housing development areas (PHDAs) determined 						

11.4. Performance evaluation plan

The Accounting and Executive Authorities of the respective institutions are expected to conclude service level agreements on an annual basis. The service level agreements regulate the relationship between the Executive Authorities and the Accounting Authorities of public institutions. The service level agreements outline the mandated KPIs that the public institution plan to achieve as agreed between the Accounting Authority and the Executive Authority.

Over and above the service level agreement, the institutions are required to submit Strategic Plans (once every five years) and Annual Performance Plans (annually), to be approved and signed off by the Executive Authority. The Framework for Strategic Plans and Annual Performance Plans clearly articulates the different components that should be included in the Strategic Plan and in the Annual Performance Plans. Strategic Plans cover a period of five years, providing strategic direction of the institution, whereas Annual Performance Plans outline aspects that the public institutions intend to do in the upcoming financial year and during the Medium Term Expenditure Framework (MTEF). The Annual Performance Plans are a sub-set of the Strategic Plans.

11.5. Reporting timeframes

The timeframes set to carry out the responsibilities of the institutions and the Department are tabled hereunder:

Deadline Date	Document to be submitted	Regulation
Annually	Service Level Agreement	Treasury Regulation 29.2.1
15 July	1st Draft Strategic Plan and APP	Framework on Strategic Plans & APP
15 October	2nd Draft Strategic plan and APP	Framework on Strategic Plans & APP
15 January	Final Strategic Plan and APP	Framework on Strategic Plans & APP
30 April	Quarterly report for Jan – March (4th quarter)	Treasury Regulation 26.1.1
31 July	Quarterly report for April – June (1st quarter)	Treasury Regulation 26.1.1
31 August	Annual Report	PFMA Sec. 55
31 October	Quarterly report for July – September (2nd quarter)	Treasury Regulation 26.1.1
31 January	Quarterly report for October – December (3rd quarter)	Treasury Regulation 26.1.1





All first and second draft Strategic Plans and Annual Performance Plans (APP) of the public institutions are analysed by the Department to ascertain whether the set objectives and budgets are in line with mandates of the public institutions and budgets appropriated by National Treasury. The matters that are identified during the evaluation of the plans are communicated to public institutions for corrective action. Thereafter the final draft Strategic Plans and Annual Performance Plans and budget are recommended for approval to the Executive Authority for implementation in the upcoming financial year.

To implement the Strategic Plans and Annual Performance Plan, all public institutions are required to submit Quarterly Performance Reports, 30 days after the end of the quarter, in terms of the Public Finance Management Act and Treasury Regulations. The evaluation of the performance for a quarter must be done in comparison with the planned performance for that quarter as reported in the Annual Performance Plan and budget, as well as the performance of the public institutions in the preceding quarters. A Quarterly Performance Analysis Management Report is produced by the Department.

The annual performance of the public institutions as outlined in the Annual Report is reviewed against the annual targets in the Annual Performance Plan and budget with a view of assessing public institutions ability to deliver on their respective mandates. The Annual Reports of the public institutions are tabled in Parliament six months after the end of the financial year.

The Department continuously communicates to public institutions any matter identified during the evaluation of the Quarterly Performance Reports and Annual Reports, through feedback letters, Mid-term Review Sessions and Oversight Visits.

Glossary of Terms

- **Accountability:** An agency, organisation, or individual's obligation to demonstrate and take responsibility for performance in light of agreed expectations. (The functions of M&E promote accountability.)
- **Appraisals:** Overall assessments of the relevance, feasibility, and sustainability of a project prior to making a decision on whether to undertake it.
- **Baseline:** The baseline is the situation before a programme or activity begins; it is the starting point for results monitoring.
- **Cost-benefit analysis:** An analytical procedure for determining the economic efficiency of a programme, expressed as a relationship between costs and outputs, usually measured in monetary terms.
- **Data sources:** Data sources are tangible sets of information, usually in the form of reports, survey results, monitoring forms from the field, or official government datasets. Data sources provide the values of the indicators at a specific point in time.
- **Efficiency:** Assesses the outputs in relation to inputs, looking at costs, implementing time, and economic and financial results.
- **Effectiveness:** Measures the extent to which an objective has been achieved or how likely it is to be achieved.
- **Evaluations:** The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organisations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and recommend ways forward.
- **Ex-ante/prospective evaluation:** Ex-ante evaluation is a process that supports the preparation of proposals for interventions. Its purpose is to gather information and carry out analyses that help to define objectives, to ensure that these objectives can be met, that the instruments used are cost effective and that reliable later evaluation will be possible.
- **Ex-post (or post-hoc/retrospective evaluation):** Assessing/evaluating quality after a programme or institution has been in operation in order to establish strengths and weaknesses.





- **Feedback:** Feedback is a process within the framework of monitoring and evaluation by which information and knowledge are disseminated and used to assess overall progress towards results or confirm the achievement of results.
- **Formative evaluation:** Evaluation activities undertaken to assist learning and provide information that will guide programme improvement, especially in terms of how, why, and under what conditions a policy will work or has worked.
- **Impact assessment:** Impact assessment is a type of evaluation that tracks progress to demonstrate the impact of a project, programme and policy. This type of evaluation does not assume that the sum of the inputs, outputs and outcomes is the production of impact. Even though impact – or cause and effect – is determined by a host of variables its focus is primarily to determine attribution after the fact – some of which may or may not lie within the parameters of the intervention (project, policy or programme). This type of evaluation addresses attribution; it also embodies the continuous analysis of programmes to assist managers to gain a better understanding of their work from design to implementation, and to completion of results, and subsequent consequences.
- **Indicator:** An indicator is a statement that describes the level of performance achieved in relation to a set of aims and/or objectives. An indicator provides evidence that a certain condition exists or certain results have or have not been achieved.
- **Information products:** An information product is a standard report/document that the department produces at regular intervals after receiving data sources and analysing these data sources. Reporting usually takes place through an information product.
- **Job-days:** Housing delivery results in the creation of employment opportunities. The short-term temporary nature of some of the jobs has an implication on the way the number of jobs created is quantified. Job-days are not presented for the number of temporary jobs created for a couple of weeks from service delivery and housing construction, but instead it is presented for the number of job-days created which is reflected as the combined amount of work days (productive effort assuming eight hours of work per day per person) performed by workers to assist with estimating the total amount of labour days required to perform a task. As a result if for

example a given housing project has employed 150 different persons in total, 50 of which worked for 5 days, another 50 of which worked for one-month (assuming 21 days per year), another 50 of which each worked for a year (assuming 252 work days per year), the results should indicate 13,900 job-days were created not 150 jobs. Job-days can then be converted to man-year jobs (the number of jobs created within a year). In this example the number of man-year jobs created is 55. As such if a job has been created for less than a year it is not calculated as an individual employment opportunity instead the combination of various short-term job opportunities are added together to calculate the number of jobs created within one year. Therefore the results that are presented based on the capital expenditure does not reflect the actual number of jobs created but rather the employment opportunities created per year.

- **Lessons learned:** The lessons based on the findings of one or more evaluations, which are presumed to apply to on-going or future project, and which often form a specific section of an evaluation report.
- **Logical framework approach:** The tool for developing and monitoring the logical relationship between inputs, outputs, and objectives/goals that determines the implementation of a project via identification, formulation, appraisal, implementation, monitoring, and evaluation.
- **M&E results chain:** There are four levels of indicators (inputs, outputs, outcomes and impacts), as described hereunder.
- **Inputs:** Inputs are the resources that are needed to implement the project and its activities. The human and physical “ingredients” needed to bring about the results. Inputs can be expressed in terms of the people, equipment, supplies, infrastructure, means of transport, and other resources needed. Inputs can also be expressed in terms of the budget that is needed for a specific project or activity.
- **Outputs:** Outputs are the immediate results of the activities conducted. They are usually expressed in quantities, either in absolute numbers or as a proportion of a population. Outputs are generally expressed separately for each activity.
- **Outcomes:** Outcomes flow from a collection of outputs and describe the unleashing of that potential. It is very important to manage toward these outcomes because these represent the concrete changes achieved along the lines of strategic objectives. Outcomes are the medium term results of one or several activities. Outcomes





are what the immediate outputs of the activities are expected to lead to. Outcomes are therefore mostly expressed for a set of activities. They often require separate surveys to be measured.

- **Impact:** Impact refers to the highest level of results, to the long-term results expected of the project. Impact therefore generally refers to the overall goal or goals of a project. Impacts are essentially the broad changes (for example in economic and social terms) brought about by the project or programme. Impacts illustrate the underlying goal of the strategy; they answer why the work is important.
- **M&E plan:** is the plan of monitoring and evaluation of the projects or programme in structured way. M&E plan gives clear picture of the M&E mechanism of the project/ programme.
- **Monitoring:** Monitoring is a continuing function that aims to primarily provide managers and main stakeholders with regular feedback and early indications of progress or lack thereof in the achievement of intended results. Monitoring tracks the actual performance of situation against what was planned or expected according to pre- determined standards. Monitoring generally involves collecting and analysing data on implementation processes, strategies and results recommending corrective measures. Monitoring is also systematic recording and periodic analysis of information
- **Objectives/goals:** The ultimate and long-term development impact that is expected to be attained after the project purpose is achieved. (Objectives or goals define a project's success.)
- **Process:** Process means activities carried out by using inputs. The activities that have to be undertaken by the project in order to produce the outputs; Activities should be adequate to reflect and outline the indented strategy to accomplish each output.
- **Programmes:** A group of related projects or services directed toward the attainment of specific (usually similar or related) objectives. Projects are planned, undertakings designed to achieve certain specific objectives within a given budget and a specific period of time, and implemented in one or more sites.
- **Project cycle:** Forms the stages of "life" of a project: concept development, preparation, appraisal, approval, implementation, monitoring, and evaluation.
- **Results-based M&E:** Results-based monitoring and evaluation (M&E) is a powerful public management tool that can be used to help policymakers and decision makers track progress and demonstrate the impact of a

given project, programme, or policy. Results-based M&E differs from traditional implementation-focused M&E in that it moves beyond an emphasis on inputs and outputs to a greater focus on outcomes and impacts.

- **Results-based systems:** Help answer the following questions:
 - What are the goals of the organisation?
 - Are they being achieved?
 - How can achievement be proven?
- **Relevance:** The degree to which a project or programme can be justified within the local and national development priorities.
- **Reporting:** Reporting is the systematic and timely provision of essential information at periodic intervals.
- **Research synthesis:** A way of establishing what is already known about a policy initiative, especially its achieved impact and its implementation challenges in other policy environments.
- **Reviews:** Comprehensive assessments of the progress of a programme or component during implementation.
- **Stakeholders:** People, groups, organisations, or other bodies with a “stake” or interest in the area or field where interventions and assistance are directed.
- **Summative evaluation:** Evaluation activities undertaken to render a summary judgement on the impact of the programme’s performance, e.g. specific goals and objectives were met.
- **Supervision:** Supervision is the process of guiding and helping people to improve their own performance.
- **Sustainability:** The ability of a project or programme to deliver benefits to the target group for an extended period of time after completion.
- **Target:** The target is what the situation is expected to be at the end of a programme or activity.
- **Theory of change:** A tool that describes a process of planned change, from the assumptions that guide its design, the planned outputs and outcomes to the long-term impacts it seeks to achieve.
- **Validity:** The extent to which the information measures what it is intended to measure.





References

- 1 Annexure A for Outcome 8 Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life
- 2 Companies Act
- 3 Division of Revenue Act (DoRA), 2013
- 4 DPME: National Evaluation Plan 2013-14 to 2015-16: 2012
- 5 DPME: National Evaluation Policy Framework: 2011
- 6 DPME: Standards for Evaluation in Government: 2012
- 7 Draft National policy for the application of the Urban Settlements Development Grant
- 8 Enabling legislations of the respective public institutions
- 9 Final Refinement of Outcome 8 actions and indicators in excel format, April 2012
- 10 Framework on Strategic Plans and Annual Performance Plans
- 11 Guideline for the costing of household sanitation projects
- 12 HSDG Performance Evaluation Practice note
- 13 IFAD: Managing for Impact in Rural Development: Guide for project M&E: 2000: London
- 14 Jody Zall Kesek & Ray C. Rist, 2004: Ten Steps to a Results Based Monitoring and Evaluation System, World Bank Washington, DC
- 15 Ministerial Sanitation Task Team Report: Review, Investigation and Evaluation of the National Sanitation Programme - Towards Continuous Improvement
- 16 Municipal Finance Management Act (MFMA)
- 17 Outcome 8 POA Summary Progress Report, template, and delivery agreement
- 18 Policy Framework and Implementation Guidelines for Public Entities reporting to the Department of Human Settlements
- 19 Public Finance Management Act (PFMA)
- 20 Report on the status of sanitation services in South Africa
- 21 RHIG VIP Technical Monitoring and evaluation checklist (Happy Letter)
- 22 Sanitation programme Guiding tool on the performance evaluation and Quarterly Performance Review Template
- 23 Treasury Regulations
- 24 United Nations Development Programme, Handbook on Planning, Monitoring and Evaluating for Development Results, Evaluation Office; 2009: Washington, DC (a review/update of the 2002 handbook)
- 25 USDG performance matrix and reporting template

Annexure 1: The goal and objective map

GOAL STATEMENT		SUB-GOAL STATEMENT		OBJECTIVE STATEMENT	
1	Accelerating the delivery of housing as a key strategy for poverty alleviation	1.1	Restructuring the subsidy instrument	1.1.1	Collapsing the subsidy bands
				1.1.2	Implementation of phased development approach including informal settlements
		1.2	To facilitate and ensure the availability and accessibility of affordable human settlements finance products/instruments and savings schemes	1.2.1	Consumer education
				1.2.2	Financial institutions are lending in terms of their commitment to the development of sustainable human settlements
2	Adjust institutional arrangement and processes internal to government and external to government	2.1	Improved institutional arrangements and coordination across the three spheres (tiers) of government	2.1.1	Enhancing the role of local government (MSA, MSS and IDP, Division of Revenue Act)
				2.1.2	Implement a new human settlements development planning dispensation
		2.2	Capacity building both internal and external to government	2.2.1	Municipal capacity building
				2.2.2	Community capacity building including the PHP institutions (Letsema Mobilisation)
				2.2.3	National and provincial officials capacity building
3	Ensuring property can be assessed by all as an asset for wealth creation and empowerment	3.1	Informal settlement upgrading	3.1.1	In-situ upgrading
				3.1.2	New payment structure for Greenfields human settlements development programmes
		3.2	Provision of well-located human settlements land	3.2.1	Establishment of a special purpose vehicle for the acquisition (buy, transfer from one department to another or rezone) of private and public owned land





GOAL STATEMENT		SUB-GOAL STATEMENT		OBJECTIVE STATEMENT	
		3.3	To enhance the quality of the Human Settlements product	3.3.1	Appropriate and adequate (minimum standard) human settlements design
				3.3.2	Enhance the capacity of government officials to maximise quality control
				3.3.3	Consumer education
4	Leveraging growth in the economy by utilising the provision of housing as a major job creation strategy	4.1	Identifying ways and means of increasing job creation	4.1.1	Implement EPWP within the human settlements sector to promote labour intensive activities
				4.1.2	Develop and implement an entrepreneur development programme for construction sector and those engaged in backyard rental
				4.1.3	Develop and implement a capacity building programme for emerging contractors
				4.1.4	Tailor contracting strategies for SMME and BEE
5	Eradicate crime and corruption in the housing delivery process	5.1	Preventing crime and corruption in the human settlements delivery process	5.1.1	Establishment of provincial investigative units

GOAL STATEMENT		SUB-GOAL STATEMENT		OBJECTIVE STATEMENT	
6	Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy/slump	6.1	To promote the establishment of a vibrant secondary market	6.1.1	Contribute to social human settlements
		6.2	To contribute towards the achievement of urban restructuring and renewal through integration	6.2.1	Urban rental for medium income
				6.2.2	Urban rental for lower income
				6.2.3	Medium density programme (Freehold for higher density)
		6.3	To address the human settlements needs in rural areas	6.3.1	Farmworker human settlements programme
				6.3.2	Rural human settlements programme
7	Utilising housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring	7.1	Enhancing spatial planning for the development of sustainable human settlements	7.1.1	Enhancing the location of new human settlements projects
				7.1.2	Inclusionary Human Settlements Programme (IHP)





Annexure 2: The indicator protocol

INDICATOR PROTOCOL (REFERENCE SHEET)		
Indicator number 1	Name of indicator	Insert the relevant indicator as well as how it's linked to various levels of results.
	Result to which this indicator responds	Insert the result which this indicator measures.
	Level of indicator	(Input/process, output, outcome, impact).
Indicator description	Precise definition(s)	The indicator definition states what it is that should be measured. It defines the variables that help measure change within a given situation as well as information that describes progress and impacts. The definition must be detailed enough to ensure that different people at different times, given the task of collecting data for a given indicator, would collect identical types of data. All terms used must be defined.
	Unit of measure	The precise parameter used to describe the magnitude or size of the indicator (for example is this a cumulative, an average, an annual tally of number of individuals or hectares, etc.).
	Measurement tool	The measuring instrument/device used for measuring the indicator. Established standards are used as units, and the process of measurement gives a number relating the item under study and the referenced unit of measurement.
	Justification & management utility	Describe the usefulness and purpose of the indicator to management decision-making. This should reflect the development hypothesis.
	Numerator	The number or expression written above the line in a fraction (thus 1 in $\frac{1}{2}$).

INDICATOR PROTOCOL (REFERENCE SHEET)

	Denominator	While the numerator represents a number of equal parts, the denominator indicates how many of those parts make up a whole. For example, in the fraction 3/4, the numerator, 3, tells us that the fraction represents 3 equal parts, and the denominator, 4, tells us that 4 parts make up a whole.
	Baseline	The baseline is the situation before a programme or activity begins; it is the starting point for results monitoring.
	Target	The target is what the situation is expected to be at the end of a programme or activity. Actual
Plan for data acquisition and management	Data collection method	Describe exactly, and in detail how one will collect the data. Identify what methods and instruments you will use. Note any equipment required to collect the data. Attach data forms when necessary.
	Data source	The source is the entity from which the data are obtained. Usually the group of individuals or organization that conducts the data collection effort. Data sources may include programme officers, government departments, international organisations, other donors, NGOs, private firms, USAID offices, contractors, etc.
	Frequency and timing of data acquisition	Note how often one will collect the data (and dates if possible).
	Estimated cost of data acquisition	Provide a rough estimate of what it will cost to collect and analyse this data.
	Responsibility	Identify who will take the lead/be the primary person responsible for collecting data on this indicator.
	Location of data storage	Describe how data will be stored over time and in what formats.





INDICATOR PROTOCOL (REFERENCE SHEET)		
Evaluation	Type of evaluation	Diagnostic, design, implementation, impact, economic, and evaluation synthesis.
	Responsibility	Identify who will take the lead/be the primary person responsible for evaluating this indicator.
	Frequency of evaluation	Note how often one will undertake evaluations

Annexure 3: Monitoring and Evaluation Implementation Plan

Statement of project goals	Objectives	Inputs	Outputs	Baseline measures for indicators	Source of info to measure progress	Timeframe				External and internal risks	Enabling activities	Adequate funding	Template for reporting
						Q1	Q2	Q3	Q4				
Provincial engagements	Project level monitoring												
	Verification of information												
	M&E task teams or provincial meetings												
	Reporting of business plans to National Treasury												
MEIA	Draft Terms of Reference for appointment of new service provider												
	Approved service provider												
	Inception meeting												
	New capture forms												
	Extraction of information												
	Reports												
	Draft report/run												
	Enhanced system												





Statement of project goals	Objectives	Inputs	Outputs	Baseline measures for indicators	Source of info to measure progress	Timeframe				External and internal risks	Enabling activities	Adequate funding	Template for reporting
						Q1	Q2	Q3	Q4				
	Update information on quarterly information												
	Dissemination of reports												
	Population of remainder of indicators												
	Updating of business plan information (new targets and baselines)												
	Training												
Impact assessment: Upgrading of Informal Settlements Programme	Approved service provider												
	Task team meetings												
	Inception report												
	Data collection												
	Draft report												
	Final report												
Beneficiary audit	Approved service provider												
	Task team meetings												
	Inception report												
	Data collection												
	Draft report												
	Final report												

Annexure 4: Proposed schedule for provincial project level monitoring

Proposed schedule for provincial project level monitoring visits per annum:

- Quarter 1 provincial visits: May
- Quarter 2 provincial visits: August
- Quarter 3 provincial visits: November
- Quarter 4 provincial visits: February

Province	Quarter 1: May	Quarter 2: August	Quarter 3: November	Quarter 4: February
Eastern Cape				
Free State				
Gauteng				
Kwazulu-Natal				
Limpopo				
Mpumalanga				
Northern Cape				
North West				
Western Cape				

Note: Actual dates per Province to be determined annually and communicated in advance

Proposed schedule for metropolitan municipality project level monitoring visits per annum:

- Quarter 1 metropolitan municipality visits: November
- Quarter 2 metropolitan municipality visits: February
- Quarter 3 metropolitan municipality visits: May
- Quarter 4 metropolitan municipality visits: August

Metropolitan Municipality	Quarter 1: November	Quarter 2: February	Quarter 3: May	Quarter 4: August
Buffalo City				
Nelson Mandela Bay				
Mangaung				
Ekurhuleni				
City of Johannesburg				
City of Tshwane				
Ethekwini				
City of Cape Town				

Note: Actual dates per Metropolitan Municipality to be determined annually and communicated in advance







ISBN: 978-0-621-43834-5

RP: 240/2015

Report Fraud & Corruption: 0800 701 701 Toll free: 0800 1 46873 www.dhs.gov.za

