human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

RAPID
APPRAISAL OF
OUTCOME 8:
OUTPUT 1

Final Report

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Rapid Appraisal of Outcome 8: Output 1
Final Report

29 October 2014

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1   Introduction

This is the final report for the Rapid appraisal of Outcome 8: Output 1 for the National Department of Human Settlements (DHS) to which PDG was appointed in in January of 2014. The appraisal was designed to provide an expedient assessment of progress in relation to *Output 1- Accelerated housing delivery of housing opportunities*, comprising four sub-outputs over the period 2010/11-2013/14.

The appraisal firstly provides a background to the current initiative, including a review of the policy and legislative context, before briefly explaining the variety of programmes and funding sources which contribute to the realisation of Outcome 8: Output 1. This is followed by an introduction to the National Outcomes Approach and Outcome 8 in particular. Thereafter an international comparative literary analysis is provided prior to introducing the design and methodology.

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

It is appropriate to note that the timing of the appraisal allows it to provide a perspective on achievement at the end of the first term of the National Outcomes Approach 2010/11-2013/14 with a view to having a formative influence on revisions to the policy and its approach going into the next MTSF 2014/15-2018/19.

1.1   The research questions

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

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

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

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

1.4.   In what way are the following housing programmes utilised to contribute to Output 1 targets
- Upgrading of Informal Settlements Programme (UISP)

    1.4.1.   Integrated Residential Development Programme (IRDP)

1.4.2. People's Housing Process

1.4.3. Emergency Housing Programme

1.4.4. Rural Housing Communal Rights

1.4.5. Social and Rental Housing Programmes

1.4.6. Basic Services delivered through:

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    1.4.6.3. RHIP (Sanitation and Water)

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

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

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

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

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

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

1.6.3. Provision of affordable rental accommodation

1.6.4. Accreditation of 27 Municipalities with levels 2 and 3

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

2 Background and Literature Review

2.1 Human settlements sector in perspective

2.1.1 *Legislation*

Government's mandate for human settlements originates with a range of legislation and policies, beginning with the Constitution. The following provides a brief overview of some of the most relevant statutory documents and a brief critical review thereof.

Constitution of the Republic of South Africa

Government's responsibility towards the human settlements sector is spelt out in terms of the housing function via the Constitution of the Republic of South Africa in Chapter 2, the Bill of Rights. The Constitution requires that the state "take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right of access to housing; and ensure no one is evicted from their home, or has their home demolished, without an order of the court made after considering all the relevant circumstances" (RSA, 1994: Sect. 26).

Despite this requirement, what is meant by "access to housing" and the "progressive realisation" thereof is not as easily defined. Housing is inevitably bound with access to other socio-economic goods and amenities, as well as cross-cutting rights such as equality, dignity, public participation, etc (SERI, 2011: 25). With regards to "progressive realisation", the Constitutional Court has interpreted this to mean that full realisation will not occur over a short period of time, and therefore this may require a range of activities to demonstrate progress towards realisation. The Grootboom constitutional court case stands out as an example, using a "reasonableness review" approach to interpret Section 26 of the Constitution as placing obligations on the state to provide relief to those in urgent and desperate need, but not a strong obligation to ensure that everyone has a basic level of housing immediately (SERI, 2011: 25), just as long the overall aggregate condition progresses.

Outcome 8 is of critical importance because it seeks to provide measurable evidence of the progressive realisation of access to housing, seeing the state as an actor, implementer and facilitator in this process. Further, it recognises the interrelatedness of this fundamental right with other constitutional rights for which access to housing is an enabler, and potential contributor, many of which also find expression through other outcomes in this approach.

Further, Schedule 4 of the Constitution provides that housing is a competency held concurrently by national and provincial governments with the practical implication of this being that the national department is responsible for policy and coordination, while provinces tend to be responsible for implementation. This arrangement has serious implications for how the Outcome 8 Delivery Agreements are realised and in particular, how the distribution of responsibility and accountability is spread in relation to these agreements.

Housing Act No. 107 of 1997

The Housing Act and the Housing Amendment Bill (2010) set out the mandate of government with regards to the human settlements function in line with its constitutional obligations. It legally entrenched principles set out in the 1994 White Paper on Housing and provided for a sustainable housing development process (SERI, 2011: 14). Specifically, the act provides for priority to be given to the poor in terms of settlement development and provides for the Housing Code, issuing guidelines and suggestions on how to implement and fulfil government's human settlements responsibilities (WCDHS, 2013: 2).

The requirements in the act that housing development provides as wide a choice of housing and tenure options as is reasonable; is based on integrated development planning and is administered in a transparent, accountable and equitable manner; are all reflected in the goal of realising Outcome 8. In particular, the variety of housing opportunities for which targets have been set, in line with the devolution of the housing function and the processes by which housing tenure is transferred and accounted for are all directly related to the prescripts to the Housing Act of 1997. Moreover, the establishment of the Housing Code has ultimately influenced all human settlements programmes, in particular NUSP.

Importantly, the Housing Amendment Bill (2010) specifically provides for the graded devolution of the housing function to municipalities and compels national and provincial government to build capacity for assignment of the housing function to local government (WCDHS, 2013: 3). This has further entrenched the roles and responsibilities provided for in the original act, which have since been set out in the National Housing Code. The targets set for the realisation of sub-output 3: Accreditation are a manifestation of this.

Prevention of Illegal Eviction from and Unlawful Occupation of Land Act No. 19 of 1998

The act repeals existing legislation in conflict with the Constitution and provides for a fair and equitable

process for resolving the unlawful invasion of land. It makes evictions that have not followed due process of law illegal (WCDHS, 2013: 3). The act was cited in the Abahlali constitutional court case which challenged the state's ability to evict people without following due process. The constitutional court upheld in terms of the act that informal settlements illegally occupying land can only be relocated as a last resort following the consideration of *in situ* upgrading (SERI, 2011: 55).

The aforementioned court case and legislation has been of direct bearing on the targets set for Outcome 8, particularly for sub-output 1: Upgrading households in informal settlements, and the target of 400 000 households set for upgrading. This act and the subsequent judgements set out clearly the processes which must be followed in terms of the delivery of housing opportunities, particularly as it relates to relocation and the upgrading of informal settlements.

Rental Housing Act No. 50 of 1999

The act provides for mechanisms to promote rental housing and a more functional rental housing market. It also sets out so basic requirements related to leasing and conflict resolution, particularly as it pertains to tenants and landlords. It also provides of the establishment of a Rental Housing Tribunal (WCDHS, 2013: 3) and sets out Unfair Practices Regulations which define ex-

ploitative rental arrangements as unfair practice (SERI, 2011: 19).

The act is relevant to the subject of this research because in the range of housing opportunities provided, the state has set targets for itself as a facilitator of private sector opportunities (26 600 units) as well as through the delivery of the Affordable Rental Housing Programmes to low incomes persons who cannot be accommodated in the formal private rental market (The Presidency, 2010b).

Social Housing Act No. 16 of 2008

The Social Housing Act provided enabling legislation for the Social Housing Policy, aiming to promote a sustainable social housing environment and defining the functions of the various spheres of government, as well as giving statutory recognition to Social Housing Institutions (SHIs). It also provided for the establishment of the Social Housing Regulatory Authority, and defined its role as a regulator of all SHIs using public funds (SERI, 2011).

This act is particularly important with regards to Outcome 8 because some of the outputs necessary to realise the outcome would include the provision of housing opportunities by SHIs, amongst other elements. In particular, targets set in relation to sub-output 3 of Output

1 include 20 000 housing opportunities to be provided through the Social Housing Programme. Thus, the Social Housing Act stands out as being of particular relevance to Outcome 8 because the agreement presumes a degree of coordination and collaboration between the state and SHIs.

Housing Development Agency Act No. 23 of 2008

The act sets out the powers and functions of the Housing Development Agency (HDA) and has since been complemented by a set of Regulations for the HDA as promulgated by the Minister of Human Settlements in 2011 (WCDHS, 2013: 3). As the HDA is a strategic partner in the delivery of housing opportunities, and in particular the transfer and acquisition of land requisite for human settlement development, this act is also of particular relevance to the research project.

While the above is not an exhaustive list of human settlements legislation, it does highlight some of the key legislation relevant to the focus of this appraisal.

2.1.2 *Policies*

Within the realm of policy there have been a range of recent developments on the national front that have direct implications for the human settlements sector, particularly at this juncture when a new Medium Term Strategic Framework is in the works. Foremost amongst national policy at this time is the National Development Plan.

Breaking New Ground - A comprehensive plan for the development of sustainable human settlements (2004)

As a result of a review of the national housing programme from 1994-2004 (DHS, 2004), and in the wake of much external criticism of the singular nature of housing and its inability to address informal settlements (cf. Lalloo, 1999; Huchzermeyer, 2001), the 'Breaking New Ground' policy introduced a dedicated mechanism of informal settlement upgrading (DHS, 2004). The policy marked the single biggest shift in housing policy in the democratic era setting out a new vision for housing as reconceptualised in the form of sustainable human settlements. The document further set out a new plan and approach to human settlements creation which expanded the scope of the work of the then Housing Department considerably and sought to better integrate and coordinate work with other government departments and entities. Thereafter the Department changed its name to the Department of Human Settlements, in line with the new settlements paradigm.

With the introduction of the 'Breaking New Ground' policy in 2004, a more flexible approach to housing

interventions was introduced, including the Upgrading Informal Settlements Programme (UISP). The introduction of this programme was important in that it provided, for this first time, a mechanism to channel the housing capital subsidy directly into informal settlement upgrading. There are, however, some criticisms that 'Breaking New Ground' did not represent a new and innovative policy direction (Charlton and Kihato, 2006; Tissington, 2011). National Treasury (2009:96, quoted in Tissington, 2011) report that detailed records of spending by programme are not readily available on a national basis, but anecdotal evidence suggests there has been a limited application of this programme in South African cities, with the majority of funding continuing to be focussed on greenfield housing. Pithouse (2009:54) notes: "at all levels of government and in all parts of the country, there has been a systemic failure to implement the substantive content of BNG that recommends and makes financial provision for participatory and collective in-situ upgrades." The introduction of Outcome 8, and specifically Output 1 has sought to elevate the importance of informal settlement upgrading as the priority programme within the multiple programmes described in the National Housing Code (DHS, 2009) arising out of the Breaking New Ground Policy.

National Development Plan (2011)

The National Development Plan has the aim of eliminating poverty and reducing inequality by 2030, while increasing employment and drawing on the creative energies of South Africans to forge partnerships and create new development opportunities. As part of the diagnostic work of the National Planning Commission, nine primary challenges were identified for tackling via the plan, which sets out a Vision for 2030, complete with estimates of demographic shifts and potential drivers of change (NDP, 2011a).

The chapter on human settlements in the NDP begins with this quote taken from the Reconstruction and Development Programme (1994) which entails the enduring goal of "breaking down apartheid geography through land reform, more compact cities, decent public transport and the development of industries and services that use local resources and/or meet local needs" (NPC, 2011a: 233). The selection of this quote serves to emphasise the enduring legacies of apartheid as they pertain to human settlements, and that they have been a feature of the agenda for the past two decades.

The NDP addresses spatial dislocations as they pertain to towns and cities compared with rural areas, and notes that South Africa still faces the legacy of dysfunctional and inequitable spatial patterns. In particular, it

explains the spatial dimensions of land reform and the importance of differentiating needs and assets relevant to human settlements depending on the context (NDP, 2011a: 237-242).

In terms of the agenda going forward, the NDP follows on from the policy direction set in Breaking New Ground to set out the objectives for 2030 as:

- Strong and efficient spatial planning system, well integrated across spheres of government;

- Upgrade all informal settlements on suitable, well located land by 2030;

- More people living closer to their places of work;

- Better quality public transport; and

- More jobs in or close to dense, urban townships (NDP, 2011b: 58).

The NDP also puts forth a range of activities to advance these objectives which include: reforms to the current planning system for improved coordination; densifying cities and allocating resources to promote better located land and settlements; substantial investment to ensure safe, reliable and affordable public transport; a spatial development framework that strikes a balance between location of jobs and people; a review the grant and subsidy regime to ensure diversity in product and

finance options for greater spatial mix and flexibility; incentiviSed development of spatial compacts; and introduce mechanisms to make land markets work more effectively for the poor to support urban and rural livelihoods, amongst others (NDP, 2011b: 58-59).

Other important policy documents

The following is a list of other relevant national policy documents:

- **New Growth Path (2011)-** Highlights the growth and development trajectory of especially rural areas and the need to advance spatial transformation and new settlement patterns at provincial and municipal level for long term economic and development potential (EDD, 2011).

- **State of the Nation Address (Yearly)-** The annual state of the nation addresses since 2009 have reflected on the call for a developmental state and the concomitant commitment to developing the principles of the Public Service enshrined in the Constitution. The State of the Nation has also made regular reference to progress and targets set for human settlements related service delivery.

- **National Spatial Development Perspective (NSDP) (2002)**- The NSDP highlights the spatial legacies of apartheid and identifies growth poten-

tial areas and provides a framework for the national space economy with direct implications for human settlements development (WCDHS, 2013: 4).

2.1.3 *Current programmes and instruments driving the human settlements agenda*

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

Upgrading informal settlements through the national housing programme

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

cifically on the upgrading of informal settlements, but rather replacing them. However, the shift in the policy through 'Breaking New Ground' in 2004, represented the first post-apartheid housing programme specifically aimed at upgrading informal settlements.

The **Upgrading of Informal Settlements Programme** (UISP) focuses on providing secure tenure, access to basic services, social and economic amenities and options for housing development to people residing in informal settlements. Part 3 of the National Housing Code (DHS, 2009) sets out the policy intent of the UISP as follows:

"The key objective of this programme is to facilitate the structured in situ upgrading of informal settlements as opposed to relocation to achieve the following complex and interrelated policy objectives:

- Tenure Security: to enhance the concept of citizenship, incorporating both rights and obligations, by recognising and formalising the tenure rights of residents within informal settlements;

- Health and Security: to promote the development of healthy and secure living environments by facilitating the provision of affordable and sustainable basic municipal engineering infrastructure to the residents of informal settlements. This must allow for scaling up in the future; and

- Empowerment: to address social and economic exclusion by focusing on community empowerment and the promotion of social and economic integration, building social capital through participative processes and addressing the broader social needs of communities." (DHS, 2009:13)

The UISP, as a 'priority programme', and the subsidy for this programme, drawn from the overall quantum of the Human Settlements Development Grant, funds land purchase and basic services, with housing top structure intended to be funded subsequently through one of the other housing programmes. In addition, the Housing Code requires that municipalities make a minimum capital contribution of 10% to UISP projects. Unlike other housing subsidies which are beneficiary based, the UISP is location-based: the beneficiaries are selected by virtue of their residing in the designated area, and residents who do not qualify for the subsidy can still benefit from the project (Huchzermeyer, 2010). The primary aim is to upgrade informal settlements *in situ* but if the location is unsuitable or unsafe, the residents may together be relocated elsewhere. The programme may also be used in situations where a portion of residents must be relocated in order to de-densify the area; in which case the provisions of the programme apply to both the original area and the relocation site. Municipalities are the main implementing agent of the UISP. Based on approved business plans, the provincial de-partment releases funds to the municipality as a grant. The UISP provides for installation of interim municipal engineering services as well as their upgrade to permanent services.

The second national housing programme that also provides basic services to informal settlements, but to a much lesser degree, is the **Emergency Housing Programme (EHP),** which provides temporary housing in two situations: first, in the event of natural or man-made disasters, households affected may require temporary shelter until permanent houses are available; and second, in the context of in situ upgrading of informal settlements, it is occasionally necessary to temporarily relocate households while services are installed or formal top structures erected (DHS, 2009). Households who are ineligible for the regular housing subsidy may still benefit from EHP.

Given the phrase 'well-located' in the target of 400 000 informal settlements upgraded as part of the first sub-output in Outcome 8: Output 1, there is some room for interpretation as to whether this implies in situ upgrades or relocations where settlements are unsuitable or unsafe. It is also possible that upgrading could be interpreted as replacing the informal settlement with formal housing through one of the other national housing programmes. The Housing Code (DHS 2009) explains that the UISP applies to both in situ upgrading and re-

location, while Outcome 8 Annexure A states that the UISP aims to facilitate in situ upgrading as opposed to relocation.

The **Integrated Residential Development Programme** (IRDP) supports the development of integrated settlements which include a variety of land uses, housing typologies, and income levels. The IRDP provides for land acquisition, servicing of stands for commercial, recreational, educational and health purposes, and residential stands for all income groups. The programme can be undertaken in one step or in two phases, beginning with serviced stands and following with the construction of top structures. The **Enhanced People's Housing Process (EPHP)** is designed to increase beneficiaries' active participation in the provision of their own housing. Similar to the UISP programme, beneficiaries are not drawn from housing registers/waiting lists but are self-selected. Beneficiaries work with a housing support organisation, termed a Community Resource Organisation (CRO), with the required skills to enable the beneficiaries to produce their own housing solutions. EPHP projects can be applied to different kinds of housing typologies, ranging from rental, to informal settlement upgrading projects and Greenfield developments, as well as rural housing schemes. In this sense, EPHP is a process or approach, as opposed to a particular housing product. The emphasis is on community-driven development, not on delivering at scale.

There are three **Rural Housing Programmes** described in the Housing Code aimed at addressing the issue of tenure rights in areas of communal tenure in order for housing subsidies to be applied in these areas. The first programme is aimed at facilitating the delivery of services and housing in communal tenure areas. The second provides capital for services and housing to beneficiaries of the Labour Tenants Support Programme. The third programme facilitates services and housing for farm residents, either under a rental or an ownership model. These three programmes are relevant to Outcome 8 insofar as the rural settlements that benefit can be classified as 'informal'.

The Housing Code (DHS, 2009) identifies informal settlements on the basis of the following characteristics:

- Illegality and informality;
- Inappropriate locations;
- Restricted public and private sector investment;
- Poverty and vulnerability; and
- Social stress

This definition is very broad and could lead to a wide interpretation of what constitutes an informal settlement, as the UISP is applicable to "all settlements that demonstrate one or more of the above characteristics" (DHS, 2009 Part 3 Vol 4:16).

Provision of basic services to informal settlements outside the housing programme

The provision of services to informal settlements through the national housing programme is tied to the Human Settlements Development Grant and its associated conditions. However, there are a number of other mechanisms through which basic service may be provided to informal settlements. Firstly, municipalities may use their own funding to provide interim or emergency services to informal settlements that are not yet identified to be part of a housing programme. However, it is more common that municipalities use national grant funding to provide these services.

The two most significant sources of funding are the **Municipal Infrastructure Grant** (MIG) and the **Urban Settlements Development Grant** (USDG). The MIG is used to fund municipal infrastructure serving low income households in non-metropolitan municipalities. Although it is a conditional grant, the ambit of the MIG is wide and allows municipalities to use this grant for a range of infrastructure investments, including the provision of internal, connector and bulk infrastructure serving informal settlements (RSA, 2013). The USDG is allocated to metropolitan municipalities with the specific purpose of providing land and bulk and internal services for informal settlement upgrading (DHS, 2013). The USDG resulted from combining the MIG-Cities grant

and the internal infrastructure portion of the HSDG and was introduced in the 2011/12 financial year. It has been designed to directly support the Outcome 8 outputs.

The **Rural Households Infrastructure Grant** is intended to address water and sanitation backlogs in rural areas (RSA, 2013). It is currently being applied by the DHS to address rural sanitation, and in so doing, can provide basic services to informal settlements in these areas.

The final national transfer that is of direct relevance to informal settlement upgrading is the **Integrated National Electrification Programme** (INEP) grant, provided both to municipalities which are licensed electricity providers and to the national electricity utility, Eskom, to reduce the backlogs of un-electrified households and to fund bulk infrastructure to ensure a constant supply of electricity (RSA, 2013).

Provision of tenure

It is now commonly recognised that title deeds are not a pre-requisite to security of tenure (Kingwill et al. 2006, Royston, 2013). Annexure A of the Outcome 8 Agreement (The Presidency, 2010b) defines security of tenure as a range of options from alternative forms of tenure (including permission to occupy, recognition through town planning scheme or by-law) through to formal freehold tenure of a stand in a formally established township. Al-

ternative forms of tenure have been attempted in South Africa, and Kingwill et al (2006) cite two early cases. Provision of secure tenure has conventionally occurred through the transfer of title deeds through the formal housing programmes, and Smit and Abrahams (2010) note that experience in upgrading South African informal settlements in situ is fairly limited and thus there are few examples of how tenure can be incrementally secured. They outline two types of tenure recognition: administrative, where policies or administrative practices confer security; and legal, where a recognised law is used to grant legal status to resident. They go on to provide comprehensive and detailed guidance as to how incremental tenure can be achieved in the informal settlement upgrading process. South African cities have begun this process through amendments to their zoning schemes to create a special category for informal settlements that legalises the land use (Royston, 2013). The Rural Housing Programmes described above provide mechanisms for providing services and housing to settlements with communal tenure, without having to provide individual freehold tenure.

Provision of rental accommodation

Three national housing programmes —the Social Housing Programme, Institutional Subsidy Programme and Community Residential Units (CRU) Programme—are designed to work together to support the implementation of the National Rental Housing Strategy (2008). The descriptions of these programmes are drawn from the National Housing Code (DHS, 2009).

The **Institutional Subsidy** is intended to provide affordable rental housing to those who prefer rental to ownership (e.g. prefer to be mobile) and/or do not qualify for the housing subsidy. Besides rental, tenure arrangements permitted under the programme include instalment sale, share block or cooperative tenure. The grants are provided to social housing institutions (SHIs), which provide rental housing stock for four years, with the option of selling the units at the end of that period. Institutional subsidies are a once-off payment; once made, the SHI's are responsible for covering ongoing maintenance and operating costs from their own budget.

The **Community Residential Units (CRU) Programme** targets low income persons and households earning below R3500 who are not able to be accommodated through the social housing or other national housing programmes. The CRU only applies to housing stock owned by a provincial department or a municipality. Ostensibly the Programme operates on a principle of charging cost-recovery rentals, however it is acknowledged that, given the target market, the province or municipality may need to provide some form of rental assistance to the tenants. The subsidy available via the

CRU covers the capital costs of project development and future long-term capital maintenance costs; funds are not provided for land acquisition. Older structures can be stabilised, demolished and reconstructed, refurbished or rehabilitated; or new structures can be erected on infill or greenfields sites.

The **Social Housing Programme** was designed to provide a new capital grant to support approved social housing projects in designated well-located urban zones identified for restructuring, through providing security of tenure and affordable rental units to poor households who prefer mobility over ownership and/or do not qualify for the housing subsidy. The Social Housing Programme also differs from the Institutional subsidy in that social housing units are not to be transferred to individuals whereas the Institutional subsidy enables the SHI to transfer ownership after four years. For mixed income developments, the amount of capital subsidy available is determined by the proportion of rental properties available to households earning less than R3500 per month.

Gardner (2010) affirms that the slow pace of delivery of rental units through the above state housing programmes has led to the burgeoning of the small-scale private rental market, and that this sub-market has the potential to satisfy this large and growing demand. The average delivery of formal, small-scale rental units between 2002 and 2006 was 33 500 units per annum. There is, however, no current national housing programme that applies to so-called 'backyard' rental, although a national policy is being developed as part of Output 1: Sub-output 4 (DHS, 2013) and certain metropolitan municipalities and provincial departments are developing their own policies on this issue (Gardner, 2010).

National upgrading support programme

The National Upgrading Support Programme (NUSP) was established as a requirement of the delivery agreement to Outcome 8, specifically to support the Output 1 target. The programme initially provided a capacity building programme for practitioners and officials, and is now providing technical assistance to 49 municipalities to establish their informal settlement upgrading programme and package projects (Topham, 2011). It then assists in channelling the UISP funding to the municipality for the implementation of these projects. The NUSP also has a policy refinement, networking and advocacy role to promote the involvement of various stakeholders in incremental upgrading. While the NUSP operations are funded through a special grant, the interventions it supports are funded through the National Human Settlements Development Grant.

Accreditation and assignment of the housing function

The accreditation of municipalities to undertake the housing function was first introduced in the Housing Act (RSA, 1997). This is consistent with the Constitutional principle of devolution of government functions to the lowest possible sphere. The strategy of accreditation was further defined and described in the 'Breaking New Ground' Policy (DHS, 2004) and is captured in Part 3, Vol. 3 of the National Housing Code (DHS, 2009). The programme is focussed on the metropolitan municipalities and secondary cities. Municipalities that could prove their capacity to plan, implement and maintain projects and programmes would be credited at various levels to undertake certain functions on behalf of provincial government. The Policy Framework and Guidelines for the Accreditation of Municipalities, approved in 2005 and revised in 2012, sets out the criteria and process for accreditation. Level 1 accreditation is restricted to delegation of beneficiary management, budget planning and administration and priority programme management and administration, while Level 2 accreditation sees the delegation of full programme management and administration to the municipality. Level 3 was the highest degree of accreditation which included management of funds. However, the revised national Framework for Assignment and Accreditation (2012) replaced Level 3 accreditation with full assignment of the housing function by the MEC in terms of the Municipal Systems Act (RSA, 2000). With assignment, the HSDG funds would pass directly from the national department to the municipality without first going to the provincial department. The Capacity and Compliance Assessment Panel (CCAP) was established in 2009 to assess the existing capacity of priority municipalities. Tissington (2011) reports that the CCAP concluded assessments in six metropolitan municipalities as well as three local municipalities. The Division of Revenue Act (RSA, 2013) envisaged that the housing function would be assigned to six metropolitan municipalities in 2013, but this has not yet taken place.

2.2 The National Outcomes Approach

2.2.1 An overview of National Outcomes Approach

Government adopted the National Outcomes Approach in 2010 as part of a broader shift towards a results-based approach signified by *Improving government performance: Our approach* (Presidency, 2009), laying the groundwork for the outcomes approach. It was explained that "the outcomes approach is designed to ensure that government is focused on achieving expected real improvements in the life of all South Africans.

The outcomes approach clarifies what we expected to achieve, how to achieve it and how we will know whether we are achieving it" (The Presidency, 2010b:9-10).

Concept and rationale

The National Outcomes Approach takes as its point of departure the imperative to focus on the achievement of the desired results of government's efforts, rather than what it does operationally. The approach requires working backwards from the desired end state, in the form of impact (changes in outcomes over time) or outcomes themselves. This means planning for the end result, and working backwards to understand logically what needs to occur in order for the result to be realised; this requires identifying what products or services need to be delivered in the form of outputs; undertaking the necessary activities to produce the identified services or products; and contributing the requisite inputs or resources to do these things. The approach uses a model that suggests a sequential logic consistent with existing logic models (Presidency, 2010b), the basic elements of theories of change (Morra Imas & Rist, 2009) and lends itself well to the measurability requisite to undertake effective monitoring and evaluation. The following figure unpacks the sequential logic associated with this approach defining each of the elements on the left, while indicating on the right the most salient questions for each level in sequence.
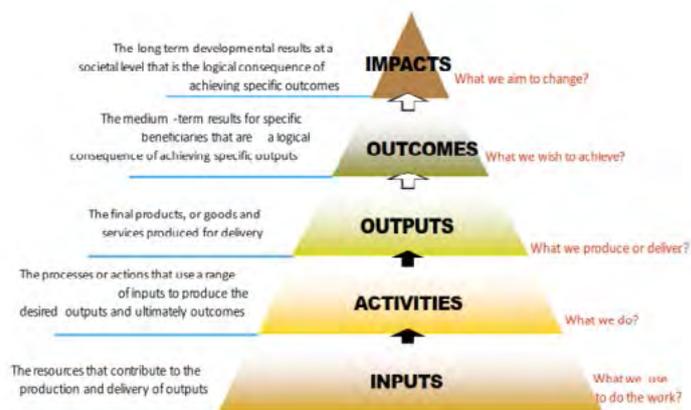
Figure 1: An explanation of the key logic model concepts in sequence (Presidency, 2010b: 11)

The outcomes approach not only targets 'getting the job done' and fulfilling functions but also making delivery of outcomes more relevant and directed to the people who require them. Focusing on outcomes, which are inherently cross-sectoral and interdisciplinary, requires that all key role-players are knowledgeable of their roles in the realisation of the desired outcome. In this sense, outcomes are benefits that are achieved from a project, program or policy through behavioural or organisational change that cannot be bought (Morra Imas & Rist, 2009: 106). Monitoring & evaluation of outcomes creates the basis for accountability and learning within the state because it must account for substantive change, not simply measures of products or services. A "systematic assessment of what impacts and outcomes were

achieved will enable us to identify what works and what does not" (The Presidency, 2010b: 10). The outcomes approach therefore assists in creating a learning tool that enables capacity development to occur on a continuous basis. Importantly, the approach also sets out the framework for a monitoring regime that can provide information that logically supports government's desired results.

Implicit within this approach is an emphasis on impacts as the long term goals of delivery. But without the appropriate indicators supported by data collection and management systems, these may fail to provide the necessary information to track progress towards long term results. By applying a logic model which links the steps of the results chain one is able to then link the purpose of the intervention to the outcomes it yields and monitor the process towards those ends.

The outcomes approach therefore highlights four important components that distinguish this approach in terms of utility as a basis for monitoring & evaluation, they are:

• Problem analysis

• Theory of change

• Intervention logic, and

• Clear indicators, baseline and targets (The Presidency, 2010b: 12)

Each of these components represents a contribution to clearly articulating the various stages of how a problem can be resolved through action and the realisation of a desired end state. The approach seeks to establish the best mechanisms and vehicles to adopt in understanding cause and effects that can be tested through M&E measures whilst clearly listing the assumptions at hand.

Structures and formal agreements

The Outcomes Approach relies on an accountability model driven from the executive, namely the President, whereby Cabinet Ministers account to him via a set of undisclosed Performance Agreements. The Performance Agreements are not intended to be punitive in nature but to serve as a management, coordination and learning tool for political leadership (The Presidency, 2010b in Mouton, 2010) hence the lack of transparency.

Performance agreements are signed between the President and Ministers as members of Cabinet and make explicit any dependencies on other Ministers' performance agreements, as well as mandate the establishment of Implementation Forums at executive and technical levels. There is no legal framework shaping these, but they are guided by presidential prerogative and thereby serve as a management tool for the President (Goldman and Latib, 2013: 160).

Distinct from the Performance Agreements but an extension of the existing accountability approach with a public accountability element, the Delivery Agreements are conceptualised as plans that make known the required results chain to achieve the desired outcome, in this case Outcome 8. Delivery agreements are signed by the political principals between spheres of government (e.g. Ministers and MECs, and Mayors in some instances) depending on the nature of the outcome. The politicians involved are determined based on their respective portfolios and relations to any one of the 12 outcomes.

Delivery agreements therefore require the identification of the outputs, sub-outputs, driving activities and inputs required to achieve the outcome so at to outline what needs to be accounted for (Goldman and Latib, 2013: 160). This information is then captured in the annexure to the Outcome Delivery Agreement, which explains the problem statement, linkages between the outputs and outcomes, and provides a breakdown of each output and its constituent sub-outputs, while identifying indicators and targets for the medium term (The Presidency, 2010b). Each Minister, MEC or Mayor then signs a Delivery Agreement based on the different activities, sub-outputs, outputs and Outcomes to which his/her portfolio contributes. For instance, the Minister for Cooperative Governance has responsibilities relating to basic services which span Outcome 8 and Outcome 9.

For each of the 12 Outcomes an Implementation Forum has been established "to serve as a platform for monitoring implementation of the delivery agreements, unblock impediments and tackle challenges to achievement as they arise. Reporting occurs on a quarterly basis and they are submitted to Cabinet" (Goldman and Latib, 2013: 160). This structure serves as one of the main forums for intergovernmental monitoring & reporting, allowing for on-going learning, feedback and the possibility to coordinate and align initiatives for maximum effect and utilisation of scarce resources.

Inputs ▶	Activities ▶	Outputs ▶	Outcomes ▶
Ministers, MECs and Mayors commit to Delivery Agreements based on sound diagnostic research and intervention logic; allocate funds and staff	Politicians provide oversight and hold civil servants accountable for delivering, monitoring & reporting on Delivery Agreement targets	Monitoring reports discussed at Implementation Forums give indication of progress towards meeting targets supportive of the desired outcome	Politicians & public servants use monitoring and evaluation reports to improve interventions and enhance likelihood of achieving the Outcome

Figure 2: Simplified theory of change for the Outcomes Approach

Formulated as a narrative programme theory at the executive level, the Outcomes Approach is meant to work

by setting out a Delivery Agreement with an accounting orientation to the executive. The Delivery Agreement provides a problem analysis, baseline information, measurable targets and a theory of change to be followed over the term of office of a political principal, who can commit to and account for it to Cabinet and the President in particular. As part of this agreement, politicians are ultimately responsible for ensuring that their respective ministries and line departments mobilise through the proposed activities and realise the targets (both exclusively and inclusively) that they've agreed to in the Delivery Agreements. Implementation Forums act as structures for resolving issues as they arrive, submitting of monitoring reports to track progress, and platforms to coordinate efforts and resources to maximum effect. Select performance information and indicators are then shared publicly via government's Programme of Action.

If political principles utilise the information generated in the process to track progress, identify gaps and shortcomings and undertake corrective measures, it will improve the likelihood that there is learning, programme improvement, better decision-making and accountability, which enhance the chances of realising the overall outcome, in this case: sustainable human settlements with an improved quality of household life.

Theoretical basis of the Outcomes Approach

The Outcomes Approach is premised on the evolution of a range of results-based practices often associated with the New Public Management (NPM) movement which came to the fore internationally in the mid-1990s; although in some countries the approach was practiced from the 1980s in different name and form (Mouton, 2010). Performance measurement and the results-based approach were triggered by the NPM movement, and at its core lies the issue of trust as it questions whether centralised government and strong executive powers are the best device for public administration (Manning, 2001 in Mouton, 2010). The NPM therefore tends to promulgate decentralisation, partnerships, management by results and a customer orientation intended to reform the public service (Mouton, 2010: 100).

Although this approach is innately questioning of strong central authority, Porter (in Porter, 2013; Porter & Plaatjies, 2011) has posited that strong endogenous demand for results-based management, one responsive to internal incentives and existing rules, is critical to effective usage of monitoring & evaluation by those in power. In the South African case, the nature of the accountability mechanisms and linkages, largely upwards to executive political leadership, leverages endogenous

demand through centralisation via the Presidency, although there is also public reporting via the Programme of Action.

The Outcomes Approach builds on more traditional monitoring & evaluation already required through the Public Finance Management Act and various pieces of sector legislation which have had a historical focus on monitoring and evaluating inputs, activities and outputs in relation to budget programmes. As a results-based approach, it goes beyond this by providing for the regular measurement and assessment of the outcomes and impacts of state intervention, as well as testing causal linkages between groups of outputs and outcomes through implementation programmes, with distinct intervention theories, representing a clear break from what Morra Imas & Rist (2009) call traditional M&E to results-based M&E. But the Outcomes Approach also uses an accountability mechanism in the form of Delivery Agreements for which political leadership is responsible, embodying Kusek & Rist's explanation that M&E is essentially "a political process with technical dimensions" (Kusek and Rist, 2004).

It is this direct connection and accountability link to the implementation process and its products or services to the desired outcomes that has made results-based M&E, and the Outcomes Approach as one such manifestation, a useful public management tool and distinguished it as an approach for development interventions internationally (Morra Imas & Rist, 2009: 107) and in South Africa in particular.

International comparison

The Millennium Development Goals (MDGs) stand out as the flagship example of a results-based approach, whereby the United Nations (UN) has led an international effort for poverty reduction and development applying a framework co-developed with the UN, International Monetary Fund (IMF), Organisation for Economic Cooperation and Development (OECD) and the World Bank to focus efforts around 8 goals, 18 targets and 48 indicators (Cloete, 2004 in Mouton, 2010). Results-based management in many countries owes its prominence and demand to the international recognition, incentives and emphasis which donors and external international actors such as the UN have placed on it, in many ways linked directly or indirectly to the MDGs and associated interventions.

Within the African context, South Africa is unique in terms of the impetus behind the Outcomes Approach and how the responsibilities for it are shared. As Porter (2013) explains in *African Monitoring & Evaluation Systems: Exploratory Case Studies,* Uganda, Kenya, Senegal, Ghana and Benin all operate in M&E environments which are largely donor driven, resulting in exogenous

demands for the results-based approach which fail to sufficiently take into account and leverage the existing values, rules and incentives of the governments they're seeking to reform. It is therefore no surprise that despite espousing an evidence-based approach in all these cases, the extent to which a true results-based approach actually permeates these states is debatable, and in some cases in name only (Porter, 2013:18).

A serious risk associated with the Outcomes Approach is that the demand for it and political will is largely associated with the current political leadership, which is also subject to internal democratic processes as well as regular national elections which could result in change. In the case of Australia, the election of a conservative government in 1996 resulted in the down-sizing of the civil service bringing to an end a decade-long performance evaluation strategy, illustrating that changes in political power and influence can have direct implications for even a well-conceived and established results-based approach (Mackay, 2007 in Engela and Ajam, 2009: 16). Fortunately within the South African case, long-term planning initiatives such as the NDP have only sought to reinforce this kind of approach by setting out clear objectives and supporting actions, which even opposition parties, such as in the Western Cape, have largely embraced, reinforcing the Outcomes Approach and associated results-based M&E provincial systems and reporting (WCDoP, 2013).

Information and data constraints are also challenges commonly associated with a results-based approach, especially in developing countries where:

- Baseline information is not available or inaccurate;
- A proliferation of indicators undermine the system (monitoring overload);
- Information asymmetries concentrate data and reporting (as well as its value) in silos within the public service; and
- Actors produce self-serving information (Ajam & Engela, 2009: 18).

All of these points are particularly relevant as they're common amongst developing countries and represent potential risks to the Outcomes Approach in South Africa, which when considered in light of the other international human settlements literature, provides a broader framework for the rapid appraisal.

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

Within the Outcomes Approach there are 12 National Outcomes, of which the focus of this rapid appraisal is on Outcome 8- Sustainable human settlements with an improved quality of household life. As described above, the approach identifies four outputs (also divided into

other sub-outputs discussed later) which are related, and advanced by a set of activities in order to realise the desired outcome. The outputs of Outcome 8 are listed below as:

- Output 1:   Accelerate delivery of housing opportunities

- Output 2:   Improving access to basic services

- Output 3:   Mobilisation of well-located public land for low income and affordable housing with increased densities on this land and in general

- Output 4:   Improved property market

Output 1: Accelerate delivery of housing opportunities

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

tenure for these families so they have a real asset and access to universal services".

In order to make sure basic service provision reaches informal settlements, there was a need to make sure that those engaging with informal settlements directly, namely municipalities, be capacitated to develop and implement projects that incrementally upgrade informal settlements through improved shelter, re-blocking, access to services, security of tenure, and other means. The NUSP and the accreditation of municipalities to devolve the housing function are integral to building a capable, developmental local government able to tackle this challenge.

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

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

The delivery agreement for Outcome 8: Output 1 states that between April 2010 to March 2014, at least 400 000

households will be upgraded in well-located informal settlements with tenure, basic services and access to amenities. An incremental approach was envisioned as the best mechanism to transform the nature of these households into sustainable human settlements. Thus, incorporating integrated development planning, coordinated municipal and provincial service delivery and good urban management were seen as essential, complementary activities in achieving the transformational objective (The Presidency, 2010b).

The Presidency (2010b: 14) highlights the Upgrading Informal Settlements Programme (UISP) as the means for achieving this. Part 3 of the National Housing Code (2007) sets out the main objectives of the UISP as follows:

- Facilitate structured in situ upgrading of informal settlements as opposed to relocation

- Recognise and formalise the tenure rights of residents within informal settlements

- Provide affordable and sustainable basic municipal engineering infrastructure, that allows for scaling up in the future

- Address social and economic exclusion by focusing on community empowerment and the promotion of social and economic integration. Build social cap-

ital through participative processes and address broader social needs of communities.

By using this new approach a better coordinated relationship was envisioned where DHS and provinces would all make the necessary contributions to achieving the overall national target.

Sub-Output 1.2: National Upgrading Support Programme (NUSP)

The National Upgrading Support Programme has focussed on municipalities with a stronger human resource base and where there has been political will to implement the programme. Initially, some 49 municipalities were targeted in such a way as to focus on as many informal settlements as possible – possibly up to 60 to 65% of all informal settlements (Presidency, 2010b: 18).

The NUSP has been designed to improve the state's performance and results in informal settlement upgrading via the UISP in two ways:

- First, by increasing the emphasis on incremental in-situ upgrading as an objective of the UISP, and stressing the requirement for plans to be in place for the transformation of informally settled communities into sustainable human settlements

- Second, by working to overcome the prevailing

orthodoxy of state-subsidised provision and green-field site development and changing the behaviour, attitudes and organisational culture of housing officials and professionals to embrace incremental upgrading, participatory planning and livelihoods-based approaches (Presidency, 2010b: 18).

Sub-Output 1.3: Affordable rental accommodation

This sub-output considers both government and public sector interventions when setting targets related to affordable accommodation. Affordable rental accommodation is considered in terms of poor and indigent households (R1500-R3500 per month); social housing for the upper end of low income range (R2500-R7500 per month); as well as private rentals tending towards the higher end of the gap range (R7500-R15000). The target of 20 000 units per annum (or 80 000 units by 2014) was set in this regard, taking into account both public and private initiatives and is presented in the table below. Each of these target programmes looks at incorporating supportive roles needed to ensure targets are met.

Table 1: Targets per rental housing programme

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

Sub-Output 1.4: Accreditation

In line with the Housing Act, there is a need to create more involved roles for municipalities, which is one of the main aims envisioned by the Comprehensive Plan for the Development of Sustainable Human Settlements. Accreditation as set out in the Outcomes Approach provides for a "progressive process that entails incremental delegation and ultimate assignment of housing functions to municipalities. The devolution of the housing function to local government proves to be the way to integrate housing and infrastructure planning and delivery processes at local level" (Presidency, 2010b: 27).

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

2.3 International comparative perspective on Outcome 8: Output 1 in the context of international trends

The international literature review has focussed on the five main themes contained in Outcome 8: Output 1. Sub-output 1 has been split into the two themes of in-situ upgrading of informal settlements through the provision of basic services upgrading and security of tenure, as there is a significant body of literature on both of these themes. The other sub-outputs have been paraphrased to draw parallels with processes in other countries.

In-situ upgrading of informal settlements through the provision of basic services

Informal settlement upgrading can be traced back to the self-help approach to housing provision introduced by Turner and other practitioners in Latin America in the 1960s (see Abrams, 1964; Turner, 1968). Although the approach of international agencies like the World Bank has vacillated over time between self-help, sites and services and market-based housing solutions, the failure of sites-and-services schemes, combined with the growth of community based-movements, saw alternative solutions arising in the form of bottom-up

informal settlement interventions in the early 1990s (Huchzermeyer, 1999). The World Bank (2009) outlines four common state responses to informal settlements: forced evictions; clearance and relocation; clearance and re-development; and in situ upgrading. While the transition between these approaches has tended to be linear, from evictions ultimately to in situ upgrading, shifts are unpredictable and state responses are strongly linked to the dominant political ideology at the time (Huchzermeyer, 2002).

Huchzermeyer (1999) shows how two types of informal settlement intervention arose out of the failure of sites-and-service schemes. The first type was an externally designed comprehensive upgrading scheme. These schemes were capital intensive, undertaken in a short period of time and generally not met with much success. The other type was the support-based intervention that was either government initiated (such as the Sri Lankan Million Houses Programme) or NGO initiated (such as the Orangi Pilot Project in Pakistan), and tended to be more successful in terms of social objectives. An alternative technologically-driven approach being developed in Latin America involved master plans for settlement intervention using GIS and aerial photography (Abbott et al, 2001). These interventions were aimed at the in-situ upgrading of informal settlements with as little disturbance to the existing layout of the settlement as possible. However, in-situ upgrading

was not a uniform approach and contradictory strategies or demolition and redevelopment were being used at the same time, often in the same cities. Examples of this are the Cingapura project in Sao Paulo, Brazil and the Slum Reconstruction project in Mumbai, India which both aimed at replacing informal settlements with high density high- or medium-rise blocks for residents on the same site (Rolnik and Cymbalista, 2003; Mukhija (2000). Although these strategies seem like a reversion to slum clearance and public housing, they incorporate more recent ideas of participation and community planning.

What can be drawn out from these later developments is a shift away from single strategies, and a move towards providing beneficiaries a number of housing options. In many cases it is the process of planning the upgrading of a settlement that is seen to be more important than its final physical form. The RDP programme introduced in 1994 was intended to be incremental, with the concept of a serviced site and a 'starter house' (Tissington, 2011). In 1995, this idea was overtaken by the need to deliver 1 million units at scale, which promoted the delivery of finished units. While the South African 'Breaking New Ground' policy introduced the heterogeneity needed for a differentiated approach to informal settlements through the introduction of the USIP to complement the other housing programmes, it was accompanied by a rhetoric of 'eradication' of informal settlements that

once again prioritised mass delivery of finished units. Outcome 8: Output 1 can be seen as a third attempt to institutionalise the concept of incrementalism and in-situ upgrading.

Incremental upgrading of informal settlements is now widely supported in the international literature. The World Bank has now adopted in situ upgrading as a preferred approach, insisting on community participation and an individualised approach that responds to the specific social needs of individual settlements (World Bank, 2009). However, Huchzermeyer (2010) claims that the UN's Millennium Development Goal (to which South Africa subscribed) to have 'Cities Without Slums' (UN, 2000) was misinterpreted in South Africa as a need to 'eradicate' informal settlements instead of upgrade them. However, this has been clarified in subsequent UN-Habitat policy documents that the intention is to improve the quality of lives of informal settlement residents through the provision of basic services (UNHSP, 2003; UN-Habitat, 2005; Van Horen, 2000). In fact, Target 11 of Goal 7 (Ensuring Environmental Sustainability) of the MDGs commits to a significant improvement in the lives of 100-million slum dwellers by 2014 through the provision of improved water and sanitation, and access to secure tenure. These objectives show strong parallels with Outcome 8: Output 1.

The South African national policy response to informal

settlements outlined in section 2.3 has been compared with other countries with similar socio-economic and housing contexts, most notably Brazil and India.

A review of upgrading initiatives in six cities[1] undertaken by Cities Alliance (2008) concluded that Brazil's sustained urbanisation patterns and relatively long history of tackling the issue of informal settlements, means that there are many opportunities to learn from their successes. In particular, interventions in Sao Paulo show high levels of community involvement and participatory planning and strong technical capabilities to addressing problems associated with in-situ upgrading.

This is confirmed by Huchzermeyer (1999). This is an approach that has been attempted to be followed through the introduction of the UISP to the housing programme. However, the Brazilian model relies far more heavily on the household providing the top structure for them, where the South African Housing Code is explicit that the UISP is a precursor to the provision of a top structure through the implementation of one of the other housing programmes. One of the most important lessons to be learned from the Brazilian experience is how the State and residents work with the private sector. A typical example of this is the case of São Paulo where currently there are four agencies tasked with slum upgrading: Caixa Economica Federal (the official

[1] Cairo, Ekurhuleni, Lagos, Manila Mumbai and Sao Paulo

bank), the municipal housing secretary, the state housing secretariat (a housing cooperative), and several institutions in charge of managing funds (including the State Housing Fund) (Freire, 2013). In South Africa the involvement of the private sector in informal settlement upgrading has been almost completely absent.

The rhetoric of 'eradication' is still strongly present in the Indian policy response to informal settlements (slums), as shown in their current flagship programme, Rajiv Awas Yojana (RAY), which aims to make India 'slum-free' by 2022 by replacing slums with formal housing (Government of India, undated). While this is to be achieved through bringing slums into the formal city through the issuing of formal property rights and the provision of basic services and amenities, there is also strong intention to replace informal dwellings with formal housing and to address the factors that cause informal settlements in the first place. The programme is 50% funded through the central government, with counter-funding from states and local government, as well as leveraging of private sector finance through a Mortgage Risk Guarantee fund. The program appears to be overly optimistic, given that Sivam and Karuppannan (2002) conclude that both the public and private sector are neither building fast enough or cheaply enough to accommodate the urban poor. RAY follows on from the Jawaharlal National Urban Renewal Mission (JNNURM) which included programmes for Basic

Services to the Urban Poor and the Integrated Housing and Urban Development Programme (Government of India, 2011). The current South African policy approach to informal settlements, illustrated through Outcome 8: Output 1 and the Breaking New Ground Policy, shares more similarity with the JNNURM programme, which was more incremental nature, than the RAY programme, which is more similar to South Africa's original policy approach to replacing informal settlements with formal housing in the period 1994-2004.

South Africa's policy response to informal settlements falls somewhere between those of Brazil and India. While the UISP supports a more incremental approach than the 'slum-free' objective of the Indian policy, it does not fully embrace the community participation and self-help top structure provision that are typical of Brazilian favela upgrades. The housing code is clear that the programmes that deliver serviced sites (USIP and EHP) are part of a larger incremental upgrading process that ultimately will end up in serviced houses, but also states that relocation is also considered 'upgrading', which is not entirely consistent with other interpretation internationally. The definition of informal settlements in Appendix A to Annexure A of the Outcome 8 Delivery Agreement is consistent with the Housing Code, maximising in situ upgrading and minimising relation, but still allowing it as an option. The flexibility in the of this instrument leaves it up to municipalities to determine

the degree of in situ upgrading versus relocation, with the literature illustrating anecdotal evidence of a strong preference for the latter. The degree of true in situ upgrading versus relocation as a strategy will need to be tested in the appraisal of Outcome 8.

The mentioning of 'well-located' in the Outcome 8: Output 1 target of upgrading 400 000 households in informal settlements through the provision of basic services and secure tenure, suggests that this approach is consistent with the international trend towards in situ upgrading as an alternative to site clearance and redevelopment or relocation. While, Appendix A of Annexure A states that there is no specific standard to what constitutes 'well-located' reference is made to "fairly good public transport and/or pedestrian access to economic opportunities and social amenities (in particular, schools and health facilities)". Given the broad definitions provided in the policy, the appraisal of Outcome 8 needs to ascertain how 'upgrading' and 'well located' have been interpreted in the context of the interventions that are included in the outcome reporting.

Provision of security of tenure in upgraded informal settlements

The shift to in situ upgrading of informal settlements has opened up a number of debates regarding the form and process of this transition from informal to formal settle-

ment and the integration of the 'illegal' into the 'legal' city (Fernandes, 2003). The benefit that security of tenure has for the urban poor is now universally recognised (World Bank, 2003; Payne, 2004) and relates to both the recognition of these settlements and their residents as valuable and productive contributors to the urban system, as well as providing impetus to individual investment in property and a basis for improving livelihoods. The tenure debates focus on two practical issues: how security of tenure can be guaranteed, and who should be responsible for identifying, registering and protecting property rights (Durand-Lasserve, 1998).

International research has confirmed that there is no one-size-fits-all solution to the diverse tenure situations existing in informal settlements (Payne, 2009). Tenure security is cited as a fundamental component for addressing Millennium Development Goal 7 (Lewis, 2008 cited in Smit and Abrahams, 2010). International literature has shown through case studies that legal title is not necessary for security of tenure (Fernandes and Varley, 1998; Gilbert, 2002) and there has been a shift in many countries to adopt a flexible, more simplified property registration system for upgrading informal areas based on de facto systems (Durand-Lasserve and Royston, 2002). Payne (1996) notes that formal individual land title may have the unintended disadvantages of pushing up property values and rents to the exclusion of the existing residents, or may incentivise further land invasion. UN-Habitat (2012, cited in Royston, 2013) refers to the requirement for 'passive' tenure security, where existing informal settlement residents are no longer under the threat of eviction. This can range from a simple statement by a minister providing a moratorium on evictions (Payne, undated) to the recognition of existing informal tenure mechanisms. The literature is clear that security of tenure is a necessary prerequisite to informal settlement upgrading, but there is no consensus on what would constitute secure tenure, as this could take many forms.

In South Africa security of tenure in urban areas is generally measured through the allocation of a title deed, which is evidently too narrow an interpretation. However, Appendix A to Annexure A of the Outcome 8 Delivery Agreement lists a range of incremental tenure mechanisms that can be employed though the UISP process, and would therefore qualify for measurement against the output targets. The Housing Code leaves the nature of the tenure rights awarded in the process of upgrading to the discretion of the MEC, in consultation with the community and municipality concerned. How this has been interpreted in practice will need to be assessed in the appraisal of Outcome 8: Output 1.

The creation of state agencies to provide technical support for informal settlement upgrading

The introduction of the National Upgrading Support Programme is intended to provide technical assistance and develop capacity building around informal settlement upgrading. This process can thus be compared with the international examples of capacity building around informal settlement upgrading and the role of the state in this process.

In Brazil, while the state is allocating considerable resources to informal settlement upgrading, there was a lack of planning, design and management capacities in states and municipalities identified, which demanded extensive capacity building for the planning and management of these interventions (Santa Rosa, 2012). A study by the Inter-American Development Bank, Cities Alliance, the Ministry of Cities, and the Caixa Econômica Federal (Magalhães and Villarosa, 2012) found that the technical capabilities of Brazilian municipal governments need to be strengthened if improvements are to be integrated into housing and urban policies that can be implemented at scale. The national Housing Secretariat introduced a comprehensive set of e-Learning programmes between 2008 and 2011 that reached over 10 000 participants, partnering with international agencies, universities and the private sector to deliver the

courses (ibid.) The participants included technical staff in national, state and municipal governments as well as government bank employees (providing finance to the interventions). Santa Rosa (2012) concludes that this was an excellent capacity building tool for public officials and other actors that are fully scalable. The NUSP has an online presence through which it distributes an electronic resource kit, but this is not structured or intended as an interactive learning tool.

In India, similar problems of weak institutional arrangements and shortage of staff to address informal settlements were noted (HSMI/HUDCO, 2012). To address this problem, the National Network of Resource Centre (NNRC) was created to enhance skills and impart knowledge through specialised programmes around planning and implementation, monitoring, financial management, community participation and service delivery (ibid.) Programme support units were also created and dedicated funds were allocated to capacity building. Through this programme the central government provides a range of types of support to state and city level officials, in a very similar way to that envisaged through the NUSP in South Africa.

However, HSMI/HUDCO (2012) also notes the need to build capacity amongst community-based organisations and informal settlement residents as well, which appears to not yet be part of the existing capacity build-

ing programme in India. The state is not the only actor in capacity building, and this role has often been fulfilled by donor agencies like the World Bank, local and international NGOs, academia and international consulting firms. In South Africa, technical capacity support to informal settlement communities has historically been, and continue to be, provided with technical support by NGOs (Bolnick and Mitlin, 1999) such as Planact, Development Action Group, People's Dialogue, Informal Settlement Network (ISN), Federation of the Urban Poor (FEDUP), uTshani Fund and Community Organisation Resource Centre (CORC) (see www.sasdialliance.org.za). Some of these are affiliated to Slum Dwellers International, which is a global network of similar community-based organisations in 33 countries (www.sdinet.org).

The literature shows that informal settlement upgrading is complex and the challenges of individual and organisational capacity to implement upgrading are universal. Technical capacity support is required in two ways in the process of informal settlement upgrading: to the local authority officials who may be unfamiliar with the processes involved, and to the informal settlement residents who may be disempowered in the process of negotiating the upgrading intervention with the local authority. The NUSP aims to address the first issue directly, it appears to support the latter issue only indirectly through promoting participatory planning and

livelihoods-based approaches and through the intention to mobilise partnerships with NGOs and higher education institutions (Topham, 2012).

The decentralisation of the housing function to the local government level

There is a vast body of literature covering the debates around the centralisation or decentralisation of government functions. This review will only focus on the decentralisation on the housing function, as intended through the accreditation process in Outcome 8: Output 1.

The South African government has followed international trends with the decentralisation of a number of government functions (Nel and Binns, 2003; Pieterse, 2002), including a provision for the accreditation and assignment of the housing function through the Housing Act and the Municipal Systems Act. In South Africa, Housing is a concurrent function shared by national and provincial government. However, as De Visser and Christmas (2007) note, the reality of housing delivery is that it is an integrated function performed by all three spheres of government who each perform specific roles as set out in the Housing Code (DHS, 2009). At the level of implementation provinces and local municipalities (mainly metropolitan municipalities) act as housing developers.

The Constitution of India states that land, housing, ur-

ban development (including slum upgrading) and provision of civic infrastructure is a state (provincial) function (MCGM, 2014). The central government, however, plays a significant role through the allocation of funds and other resources. Local government is responsible for infrastructure and municipal service provision, including basic amenities to slums, but not the provision of public housing (MCGM, 2014).

Huchzermeyer (2002) notes a difference between Brazil and South Africa being that policy making on informal settlements is devolved to the sub-national level, while in South Africa it is still centralised through the Housing Code. However, the Brazilian system was constrained through the absence of an associated decentralised housing finance system. Huchzermeyer (2002) believes that the decentralisation of political power to local government in Brazil has allowed for customised localised responses through participatory democracy, while the centralisation of South African policy has resulted in a standardised response through the dominance of the capital subsidy system, and the exclusion of more innovative and participatory responses to informal settlements.

However, the accreditation process seeks to address this very problem through the devolution of the housing function to concentrate all built environment functions at the local level, even if housing policy is still centrally determined. Robinson (2007) notes that international literature and experience suggests that decentralisation initiatives are most successful if they are implemented incrementally. This is certainly true of the accreditation process, which is envisaged to take place in three successive steps. The accreditation process has been delayed and a number of milestones for various levels of accreditation have been delayed, particularly in the assignment of the function to metros. According to the latest instruction note (DHS, 2014), the intention is to assign the function to 6 metros[2] by July 2014, with funding flows beginning in July 2015.

The provision of affordable rental accommodation as a housing strategy

Gilbert (2003:379) states that "few governments in developing countries have felt a strong obligation to support rental housing". While rental provision was widespread in the nineteenth and early twentieth century, but since then has been ignored by governments. However, since 1990 international authors have promoted the expansion of the rental market segments, largely based on the argument that ownership is not suitable for all households and ownership-based housing policies discriminate against those who wish to rent. Gilbert et al (1997) noted that in many African and Asian cities, more than half of the population are tenants, and

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[2] *Excludes Buffalo City and Mangaung*

in Latin America at least one third of the urban population rent homes.

Gilbert (2003) draws on a wide range of international case study evidence to show that the adequate supply of affordable and attractive rental units is essential to any urban environment and strongly advocates for a state-supported construction of rental units. A phenomenon noted by Gilbert et al (1997), and further confirmed by Cross (2010), is that many urban residents choose rental in well-located areas over ownership in poorly located areas.

However, the provision of rental accommodation is not unproblematic and Gilbert (2003) notes the fact that few developing countries have successfully adopted this policy at scale, mostly because units are expensive and the financial viability is marginal. He suggests that there are three ways to provide rental accommodation: direct construction for rent by public or social-housing agencies; encouraging the private formal sector to build for rent; and encouraging the informal sector to build for rent. It is clear that sub-output 4 of Outcome 8: Output 1 seeks to promote the first two of these strategies with the expectation that public sector provision will outstrip private sector provision. It cannot be ignored, however, that informal rental, in the form of backyard shacks and shack rental in informal settlement will continue to fulfil the housing demand for some time. This emphasises

the importance of developing policy on backyard dwellers as part of Sub-output 4.

3 Methodology and rapid appraisal design

3.1 Introduction to rapid appraisal

As an evaluative approach, rapid appraisals or rapid assessments are fundamentally pragmatic in that they provide a relatively quick and low-cost option for evaluation (Morra Imas & Rist, 2009: 199). A defining feature of rapid appraisals is that they are generally formative in orientation, and tend to act as a bridge between formal and informal data collection, in a systematic manner, within the constraints of time and budget as well as the challenges of the availability and reliability of secondary data. Rapid appraisals usually have a qualitative orientation, engage high-level respondents and surface only the most relevant issues to process and implementation (Morra Imas & Rist, 2009; Britan, 2010).

As an approach identified in DHS's Monitoring, Evaluation and Impact Assessment Policy Framework, rapid appraisals are explained as "providing 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" (2010:15). This description resonates with the formative orientation described above, with the qualifier that it speaks to *monitoring trends* rather than evaluation

trends, since it is reliant almost entirely on secondary quantitative data and pursues qualitative data for feedback purposes.

3.1.1 A rapid appraisal of the Outcomes Approach at this time

Application of the rapid appraisal approach is most appropriate in the case of formative evaluations, allowing for corrections to activities mid-course when appraisal findings indicate areas in need of improvement. Although March 2014 represents the horizon of the mandate set in the first Outcomes Approach (April 2010-March 2014), this appraisal is undertaken based on an implicit assumption that at least some of the priorities set out in Outcome 8: Output 1 are likely to carry through to the next Medium Term Strategic Framework (MTSF) of the incoming administration, and continue with a results-based approach. Based on this assumption, the rapid appraisal is viewed as being of potentially formative value in shaping human settlements outcome-related priorities as they relate to Output 1 (in whatever its future manifestations) for the term ahead.

Against this background of a medium-term expedient review of progress on a potentially shifting set of goals and objectives within a broader results-based approach, a rapid appraisal is particularly valuable for understand-

ing, in broad strokes, the challenges of performance monitoring in relation to the various sub-outputs and output targets pursued historically. It may also surface issues related to the plausibility, feasibility and testability of the current policy approach based on the hindsight of experience, and provide useful insights towards more functional arrangements going forward.

3.2 Data collection and tools

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

All tools were structured and ordered in relation to the overarching research questions rather than a comprising set of criteria. Each research question was developed into a set of comprising sub-questions and potential data sources for the purpose of triangulation and cross verification.

3.3 National stakeholder engagements and secondary data

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

- Outcome 8 conception and design

- NUSP & UISP

- RHIP (Water & Sanitation)

- MIG

- Output 1 monitoring (incl. USDG)

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

- People's Housing Process

- Social and Rental Housing Programmes

- HS Business Plans

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

- Outcome 8 Delivery Agreement Annexure

- Programme of Action Summary Report

- Programme of Action National Reporting Template

- Outcome 8 National Delivery datasets

- Provincial Business Plans for 2013/14

- Minutes of meetings and definition guidelines for Outcome 8

Although the above was not exhaustive, it served the purpose of the rapid appraisal. Further, the provincial business planning during the final year of the term was taken to provide a basis for checking between alignment between planned priorities and reported outputs for the last year as this was purposively selected to.

3.4 Provincial and metro engagements

Semi-structured interviews

Telephonic interviews were conducted with key stakeholders in all nine provinces[3]. Stakeholders were selected based on a snowball sampling approach whereby contacts provided by the national department formed the basis of requests to interview in relation to Outcome 8: Output 1. A target of 27 provincial respondents was set while 27 provincial respondents participated in interviews, although these were not evenly distributed across provinces as some provinces only identified one individual for interview, as was the case for Free State and Mpumalanga.

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

Site visits and structured observations

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

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

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

3.5 Analysis approach

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

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

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

3.6 Expert panel

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

3.7 Ethical protocols and arrangements

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

in specific instances multiple numbers were allocated to individuals to reduce the risk of reasonable attribution. Metro respondents were included as sub-national respondents so as to anonymise their responses since a separate group of 6 was viewed as potentially revealing.

3.8   Limitations of rapid appraisal

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

4 Findings and Analysis by research question

The following presents findings and analysis per research question posed at the outset of the rapid appraisal. It builds on the accounts of the provincial chapters and goes down to municipal level in reference to the two metros, eThekwini and City of Johannesburg.

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

Municipal level

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

The most common understanding of Outcome 8: Output 1 is in relation to informal settlement upgrading. The eThekwini Built Environment Performance Plan (BEPP) states, "Outcome 8 shifts the focus of housing policy to informal settlements and to those large municipalities that accommodate many informal settlements. The housing programs of Ethekwini Municipality are in line with this shift" (eThekwini, 2014: 22). However, this is not necessarily new since "As far as upgrading goes, we've been doing that since 1997 but it wasn't established as a large unit at that stage" (Sub-national Respondent 29). This shift in emphasis, rather than approach, is reinforced when asked as to whether Outcome 8 introduced any changes. The following quote responds:

> "I don't think so… we were doing water and electricity and I suppose it gave a slightly greater emphasis, but at the same time increased immensely the reporting. Before we just went in and did it but then we didn't have to compile [so many] reports after" (Sub-national Respondent 29).

Municipal understandings of Outcome 8 tended to emphasise it as a reporting requirement, rather than a way to approach their work. Many issues associated with the reporting requirements (addressed in a later section) arose, in part because the reporting was the most

tangible change at the local level, rather than a policy understood and owned by those doing the reporting. This understanding was further challenged in terms of organisational hierarchies and a lack of full institutional buy in. The following explains:

> *"there is an interpretation challenge and level of hierarchy. However, at senior management there is a common understanding of Outcome 8. The problem lies at middle and junior level, as the interpretation of Outcome 8 is not understood clearly"* (Sub-national Respondent 28)

> *"This is a typical problem with the cascading of national policies and not enough or sufficient attention is given to consultation and the rationale, its intention, and process suggestions"* (Sub-national Respondent 33)

This lack of understanding becomes particularly relevant when it comes to documenting and accounting for the service in relation to the sub-outputs of Outcome 8: Output 1, which will be addressed at great length later. This perception is reinforced at national level:

> *"If you had to ask municipalities of whether they have a clear understanding on where to go with any of these outcomes, they will say 'no'"* (National Respondent 6).

Provincial understanding

At the provincial level Outcome 8 is generally understood as a nationally determined set of human settlements results and outputs targets to which all spheres of government should align their initiatives, programmes and plans of action for the term (2010-2014). It is not seen so much as a new approach to the existing programmes, as it is a strategic framework for harmonising a national human settlements agenda and that focussing on the results of those programmes through a broader intervention logic for the sector. The following quotes illustrate: *"It's the national strategic direction focusing on specific strategic programmes or outcomes"* (Sub-national Respondent 19)

> *"The purpose is to be more structured in how we approach human settlements. Now it is outcome-based, before we were just delivering. Now we are looking at impact on a needs basis. With Outcome 8 you are aligned to the outcomes of the ruling party."* (Sub-national Respondent 25)

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

eng expressed some reservations around the targets and how these were understood. This was expressed by another provincial respondent who indicated a common concern with how Outcome 8 was introduced:

"Province had to take the first year just to come to terms with planning for those targets when National expects it to deliver. And so that correlation and national setting the target and giving the province sufficient time to plan and put processes in place as to whether they can achieve those targets, that needs to be re-thought" (Sub-national Respondent 16)

"It would help if national called provinces to highlight all expectations for all the sub outputs within output 1 of outcome 8". (Sub-national Respondent 11)

"Planning is highly important in terms of the achievement and delivery of targets…I think the whole process of setting the target and not consulting the province about what plans they have in place is an issue" (Sub-national Respondent 16)

This kind of provincial interpretation is reinforced at the national level, whereby issues with the provincial interpretation and uptake of Outcome 8 were noted by national respondents:

"It was not communicated correctly to all the relevant people. It was a very high level thing and those that need to work with the information on the ground were thrown in the deep-end" (National Respondent 7).

"Provinces did not immediately report as they were expected to report and then [there were issues of] interpretation and that kind of thing". (National Respondent 10)

"It was just emphasised to the provinces that this is a priority and some of the provinces had a clearer picture than others and some had a better picture after discussions. Should everything go to Outcome 8? They were also uncertain about that and specifically Output 1". (National Respondent 7)

The scale of delivery required of municipalities in terms of quantity of outputs was known, but what exactly constituted informal settlement upgrading, particularly in terms of which programmes and how, was not known (this point is addressed later).

What was also clear to the provinces is that Outcome 8: Output 1 sought to advance the devolution of the housing function, through various components like accreditation, NUSP and an emphasis on informal settlement upgrading, a particularly complex and technically unique challenge requiring community engagement and

coordination with local representatives and embedded structures. In Limpopo and Gauteng respondents particularly emphasised Outcome 8's intended role to bring the housing function to local government so as to best address the issue of informality in particular.

National understanding

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

> "It emerged late 2009, and there are a set of outcomes that needed to be attributed to actions or inactions of the state and often enough these were programme related and there was an intended relationship between them. The thinking was that if these were formulated in a closer set of relationships and priorities, government could determine better the set of outcomes we wanted and produce the general shifts in the way our society functions" (National Respondent 3).

This understanding extended to the introduction of a set of accountability arrangements in the form of Delivery Agreements between the National Minister and MECs for human settlements to ensure commitment and de-

livery to the national agenda. This was also intended to extend down to local government level to agreements by Mayors in relation to Outcome 9.

However, within the NDHS, the organ of state tasked with policy coordination and oversight of provincial implementation, there was almost immediately internal resistance and a lack of understanding to the approach:

> "When [Outcome 8] initially started, it was a nightmare and it was not well negotiated or communicated with all the relevant people. It kicked off in April 2010 and that was a total nightmare". (National Respondent 7)

> "There was a quiet and silent resistance [to the provisions of Outcome 8: Output 1] and in order to tackle it would have required a whole lot more resources than were available. And let's be honest, in situ upgrading is much harder". (National Respondent 11)

> "The target numbers were not negotiated with the department prior to stating them in the document and so most of them were not achievable…We were not consulted at all and I'm not sure who from the department was supposed to participate" (National Respondent 9).

> "At first, they were asking what is this all about?

The interaction and agreements happened on a higher level and people on the ground were not involved and not sure what to report on" (National Respondent 7)

However, these accounts were contradicted by other national respondents who explained that Outcome 8 was informed by the international approach of the MDGs, where a set of indicators linked to an outcome were identified and targets were set in relation to a diagnosed need. So for instance, in the case of upgrading of informal settlements, it was documented that there were 1.2 million households in informal settlements in South Africa. Applying the approach of the MDGs, half of these were initially targeted (600,000) but given resource and capacity considerations this was negotiated down to 400,000 by actors in the national department (National Respondent 3 + 4).

Nevertheless, the issues of hierarchy, lack of consultation and understanding all have influenced the interpretation of Outcome 8 by the NDHS. Data from respondents has indicated that within the department there was a reluctance to embrace what Outcome 8: Output 1 entailed. As a result, there was not the kind of buy-in necessary to drive the kind of institutional reform that was embedded in the priorities and sub-outputs of Outcome 8: Output 1. Thus, Outcome 8 was generally understood as a policy framework for coordinating and

aligning priorities as an exercise in relation to reporting, rather than imparting the kind of change in terms of programme design, approach and coordination that it sought to achieve.

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

The issues of intergovernmental understanding and some resistance to the targets and expectations placed upon them contributed to an initial lag in the uptake of Outcome 8 and the implementation of the delivery agreements. This delay was a contributing to factor to issues of delivery (addressed later in section 6.6) while the other key features of the delivery agreements are discussed here:

Implementation Forums

One of the key intentions of the delivery agreements was the use of Implementation and Technical Implementation Forums for policy debate, reporting, feedback, dispute resolution and the escalation of human settlements sector issues. In the human settlements sector Implementation Forums took the form of Expanded MinMECs, but without adequately distinguishing between the emphases and purposes of these different intergovernmental forums. Nevertheless, there was a

clear effort to honour and implement the agreements in this regard. Specifically, indications were that under former Minister Tokyo Sexwale regular scheduling and holding of Implementation Forums, as preceded by Technical Implementation forums, occurred in the form of extended MinMECs (PDG, 2014a: 7;11). The following quotes explain:

> "Reporting became a standing item on the agenda of the Implementation Forum and it was for the MEC and HoDs and they had to report why they were or weren't meeting their targets" (National Respondent 10).

> "They have all been well implemented from a compliance perspective. On the one hand there is an obligation to and on the other it has been driven by DPME" (National Respondent 11).

> "Political leadership and senior management have stepped up. Specific issues that need to be discussed with National Treasury and were addressed because no agreement could be reached and the various Minister and Deputy Ministers were brought together to solve the problem" (National Respondent 10).

However, as Implementation Forums and MinMECs were held interchangeably as the term went on, there were key issues in terms of the content and quality of engagement within the forum. This was later compounded by the replacement of the National Minister, which led to the suspension of the Implementation Forum for almost the entire final year of the term, although Technical Implementation Forums or MinMECs operated consistently nonetheless (PDG, 2014a: 7). The following quotes begin to address this issue:

> "The way it was designed was fine, but interest from the different role-players was lost in the process. This Outcome Approach, it was supposed to have the Technical Implementation Forum and Implementation Forum. So I have a feeling at the start, I used to attend those engagements, but I think over time the interest by role-players to participate in a serious engagement was lost. And as a result the Outcomes were seen as a reporting mechanism and it just became about sending a report…. People were supposed to meet and discuss policy issues and then give responsibilities and go out there and resolve issues" (National Respondent 5).

> "Problems with dates and the shifting of meetings was a problem". (National Respondent 10)

> "The Implementation Forums became reporting forums and not tackling the key issues". (National Respondent 6)

While the report does not benefit from having secured any perspectives from political leadership, there was a general sense that the delivery agreements created a common framework for upward reporting and accountability through the executive decision-makers across the national and provincial spheres, particularly in relation to the delivery targets. This finding can be corroborated through other related work undertaken by PDG for DCoG (PDG, 2014a) and DPME (PDG, 2014b) which arrived at similar findings. What this appraisal has shown in conjunction with those studies is that this may have been to the detriment of the broader purposes and intentions of those forums in terms of policy-making, debate and consultation.

Provincial implementation

At the provincial level implementation of the delivery agreements is considered mostly observed in the form of compliance to the reporting requirements and participation in the aforementioned structures as required. The provincial departments believe they uphold and implement the delivery agreements as intended and do not deviate, even from the targets, despite these being imposed:

"There is no deviation. We support the same targets but we didn't achieve them. There wasn't a purposeful intent not to achieve them." (Sub-na-

tional Respondent 18)

"As far as the Northern Cape is concerned, there were no deviations from the outcome 8 output 1 delivery agreements." (Sub-national Respondent 23)

A similar sentiment was echoed in Mpumalanga, while in Gauteng it was emphasised that the lack of shared understanding at the outset impaired the provincial department's implementation. Further, there was recognition that proper provincial implementation of the delivery agreements would require a shift in terms of programmes, resourcing and the reporting arrangements.

"To be able to realise those targets, provinces had to revisit their priorities and they also had to make provisions in terms of reporting and DORA specifically, with the new focus on Outcome 8. There was an amendment or adjustment to the way in which they report. (National Respondent 10)

"Province has to take the first year in terms of planning for those targets when National expects it to deliver. And so that correlation and national setting the target and giving the province sufficient time to plan and put processes in place as to whether they can achieve those targets,

that needs to be re-thought as well" (Sub-national Respondent 16)

It should be noted that in line with the issues raised in relation to the Implementation Forum, provincial implementation was largely achieved in terms of compliance to reporting as this became the emphasis of the 'design' rather than the associated shifts in terms of programme delivery, institutional reform and intergovernmental co-operation.

Municipal implementation

At the municipal level implementation of the delivery agreements occurred in the form of reporting. As was evidenced earlier, the municipalities that participated in this project did not believe that Outcome 8 introduced anything particularly new to what they were doing, outside of the reporting requirements. However, the extent to which municipalities were effectively engaged beyond reporting is questionable.

"Outcome 8 was supposed to improve the likelihood of achieving of [sustainable human settlements and an improved quality of household life]. You must know that in between there you have municipalities, and the achievement of Outcome 9 is very crucial because you cannot talk about these things without the City... that is why building up the municipalities to take responsibility for realising the needs of the people then becomes

crucial to making sure the human settlements outcome is achieved". (National Respondent 5)

In particular, a lack of consistent and structured contributions from municipalities relating to the human settlements sector simply did not happen. The following quote explains one national stakeholders concern in this respect:

"Technical Implementation and Implementation Forums were national and the provinces. They were supposed to have another forum chaired by the City Manager and involving National Sector Departments and discussing the agenda for which the issues emanating from the forum and feeding into the Technical and Implementation Forums to unblock those challenges" (National Respondent 5).

The implication of the above is that these sessions did not occur as intended and in that sense municipalities as a critical role-player in the Outcome 8: Output 1 intervention theory were not engaged in the extent to which it was envisioned.

Overall implementation

Judging the overall implementation of the delivery agreements against design would indicate some clear successes in terms of the structures, activities, and

reporting against a set of targets. However, there has clearly not been the extent of substantive implementation that was envisioned, nor has there been the level of building institutional capacity in line with the targets that was envisioned. Reporting has occurred for compliance purposes and the information has been fed through the required forums, to which the political leadership have acknowledged and discussed the delivery figures as expected. However, beyond that, the delivery agreements have deviated from their designed intention in that they have not prompted the kind of institutional shifts that were intended in terms of results-based management, or in terms of the ways the current housing programmes were intended to be used to realise the target while devolution of the housing function to metros occurred. One respondent had this particularly damning comment, "That is what really happened, there is no institutional reform, there is no application of the policy in a serious way" (National Respondent 3).

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

The Provincial Business Plans could be considered substantially lacking when it comes to reflecting the performance targets that contribute to Outcome 8: Output

1. The business plans can be critiqued with regards to the formulation, detail of the performance targets and the absence of historical performance.

Formulation of the performance indicators in the business plans

Using the Provincial Business Plans for 2013/14 supplied by NDHS is MS Excel format, a range of performance data has been considered in the examination of the performance targets. Within the Provincial Business Plans the indicator "Number of households in informal settlements provided with tenure rights and access to basic services through in situ upgrading and/or relocation" only appears on the 'Grant Profile' tab under the 'Outcomes Performance Indicator' column. For this indicator there are not any targets set for it in any province, although the title that appears in the 'Priorities/programmes' column, to which this indicator is subservient, appears as 'Upgrading of households in informal settlements with access to secure tenure and basic services' and has a national target of 400,000. This is despite the lack of any indicator actually being provided in relation to the 'priorities/programmes' row. The following screenshot illustrates how this appears on each business plan.

Priorities/Programmes	OutcomesPerformance indicator(s)	Current State (Baseline 2011/12) per Outcome Indicator	National Target 2014	Provincial Target	Annual Target			
					2010/2011	2011/2012	2012/2013	2013/2014
OUTCOME 8								
1. Accelerated delivery of housing opportunities								
1.1 Upgrading of households in Informal Settlements with access to secure tenure and basic services.			400 000					
1.1.1 Informal Settlements	Number of households in informal settlements provided with tenure rights and access to basic services through insitu upgrading and/ or relocation							
1.1.2 Social and Economic Facilities	Number of Social and Economic Facilities provided.							
1.1.3 Integrated Residental Development: Phase 1 Planning and Services.	Number of sites serviced under Integrated Residental Development: Phase 1 Planning and Services for Informal Settlement Upgrading				5 437	5 437	6 000	5 028

Figure 3: Grant Profile tab in the Provincial Business Plan 2013/14

There are a range of other Outcome Performance indicators that are provided in the Outcomes Performance Indicator column and each use one of the three following units of measure which appears on the 'Quarterly Reporting' tab: housing units, sites or outputs (other).

The Provincial Business Plans therefore report on measures in relation to the different programmes or sub-programmes, using one of the three measures: housing units, sites or outputs (other), which it is implied combines in some way to produce a target in relation to sub-output 1: "Upgrade 400 000 Households in well located informal settlements with access to basic services and secure tenure" (Presidency, 2010: 14). But no provincial targets are provided in aggregate form annually or over the period for this indicator. All indicator targets provided are in relation to either housing units or sites and the implication is that all of those that fall under "1.1 Upgrading of households in informal settlements with access to secure tenure and basic services" would combine to produce the targets for the period, although this is not stated or calculated anywhere in the document.

There is a column that appears throughout the document with little seeming purpose under the title of:

'Outcome 8 indicator'. Although this would suggest that rows where this column is populated somehow denote something of relevance to the performance of Outcome 8, no discernible value or consistency in its population could be determined by the researchers and this was corroborated by a respondent who described utilisation of that column as "meaningless" (National Respondent 7).

The indicators that are included further omit the "well located" qualification from the title and appear to replace it with "through in situ upgrading and/or relocation", which alters the potential meaning of the indicator. Thus, in terms of the indicator's formulation the following can be determined:

- It appears altered from the delivery agreement sub-output title;

- The indicator provided for sub-output 1 possibly comprises any one or all of the three possible units of measure provided for in the plan although how these aggregate is unclear;

- There are no aggregated targets in relation to this key Outcome 8 Performance Indicator.

Details of the performance targets

Each of the performance indicators included on the 'Grant Profile' tab includes a reference to informal settlements, thereby implying that measures for these indicators may represent a combination of different sub-programmes but without indicating this in the definition it is unclear how the targets are arrived at. Further, the annual targets on the 'Grant Profile' tab for specific sub-programmes (e.g. IRDP Phase 1) do not coincide with the total number of serviced sites measure included on the 'Prov per progrm' tab (note the reporting format of separate columns for sites and housing units on the 'Prov per progrm' tab also reflects on the 'Quarterly Reporting' tab). See the example below where there is no clear relationship between the targets included on the programme tab and the annual targets provided for the indicator.

Sub-Programme	Planned Number of Sites (Current year)	Planned Number of Houses (Current Year)
2. Incremental Housing Programmes		
2.1 Project Linked Subsidies(current commitments approved up to 31/03/07)	2 334	2 847
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services	4 733	1 059
2.2b Integrated Residential Development Programme :Phase 1:Planning and Services INFORMAL SETTLEMENTS	193	392

Figure 4: Planned Sites and Houses for IRDP Phase 1 in 2013/14 on the 'Prov per progrm' tab

Priorities/Programmes	Outcomes Performance indicator(s)	Current State (Baseline 2011/12) per Outcome Indicator	National Target 2014	Provincial Target	Annual Target			
					2010/2011	2011/2012	2012/2013	2013/2014
OUTCOME 8								
1. Accelerated delivery of housing opportunities								
1.1 Upgrading of households in Informal Settlements with access to secure tenure and basic services.			400 000					
1.1.3 Integrated Residential Development: Phase 1 Planning and Services.	Number of sites serviced under Integrated Residential Development: Phase 1 Planning and Services for Informal Settlement Upgrading				1323	4733	8943	12706

Figure 5: Planned sites serviced under IRDP Phase 1 Planning & Services for Informal Settlement Upgrading on the 'Grant Profile' tab

In this example above, the 2013/14 target for the indicator is 12,706 while the aggregate of the 2.2a and 2.2b rows in the preceding figure is 6,377, indicating a substantial variance. Thus, there does not appear to be any clear relationship in terms of the targets on the 'Grant Profile' tab and 'Prov per progrm' or 'Quarterly Reporting' tabs.

"There is that debate that happens all the time. Whenever we report in terms of Outcome 8 they tend to look at informal settlement upgrading in the Business Plan and they look at the Outcome 8 figure which is greater than that and they question, why is your information not aligned?" (Sub-national Respondent 16)

The reason for this may be that the business plan may include projects in process to which funding is allocated, rather than intended outputs delivered at that stage or later. Or it may reflect the outputs of a given phase that are still part of a broader process that must be completed prior to producing the final output. Since there are no definitions for these indicators beyond their titles, it is impossible to know how they relate or at what point they are counted in relation to the sub-output target of 400,000. From the current business plan it is unclear how many of the sites or units will proceed through multiple phases in relation to IRDP and how many will actually be completed once, and only once, in the course of a year. This would need to be known so as to formulate an indicator included in the business plan that represents a credible target as to what the province expects to deliver in a given year in terms of the sub-output target for informal settlement upgrades in particular.

Historical performance

Lastly, the Provincial Business Plan fails to include historical performance in relation to delivery per programme or per indicator. Nor does it provide any baselines. What this would suggest is that in compiling this plan there is not any due consideration of what was actually delivered in the previous year, or cumulatively delivered historically. Historical performance for frame of

reference could be critical to more accurately projecting the actual number of units/sites that will be delivered for a given year, but it does not appear to be considered in the business plan. Omitting this vital information limits the credibility of the document and increases the likelihood of the plan being divorced in terms of figures from what is actually achievable within a given province.

Overall

The above has focussed largely on Sub-output 1, although sub-output 4 (social and rental accommodation) does appear in the form of three indicators that are included under the 'Grant Profile' tab although these are only formulated in terms of units. However, the figures between tabs are also inconsistent for the year 2013/14 and the rest of the comments above apply in this case as well.

There are two sub-outputs of Output 1 that find no reflection at all in the Provincial Business Plans in terms of performance targets: NUSP and Accreditation. The absence of any formal provision for these within the Business Plan (outside of budgeted amounts for some operational issues) divorces these efforts and initiatives from their inter-relationship with sub-outputs 1 and 4 and weakens the policy imperative of Outcome 8: Output 1 as expressed in the business plan.

4.4 In what way are the following housing programmes utilised to contribute to Output 1 targets:

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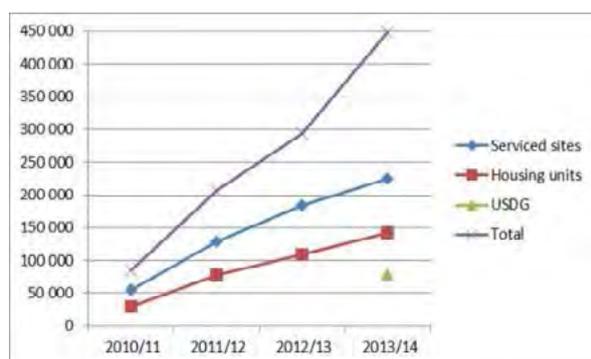
Graph 1: Household in informal settlements upgraded from 2010/11-2013/14 (NDHS, 2014a)

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

ing units and another 79,507 attributed to non-descript USDG delivery (ostensibly serviced sites or connections). Although the contribution of housing units is not proportionally at the level of serviced sites delivered, it represents nearly a third of all those considered. From this it becomes clear that housing sub-programmes beyond the scope of UISP must be involved and in this case it would likely include IRDP through some greenfields and roll-over developments. However, in those particularly rural provinces that Rural Housing: Communal Land Rights units may also be included. One thing that is clear though, the USDG related delivery appears to have only been introduced cumulatively in the last year, with a significant spike in the overall figures as a result.

The graph below presents overall delivery against target, disaggregated by province.

Sub-output 1: Performance against target
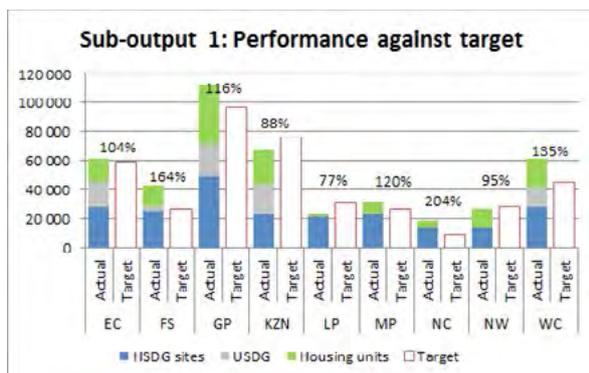
Graph 2: Households in informal settlements upgraded against target by province (NDHS, 2014a)

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

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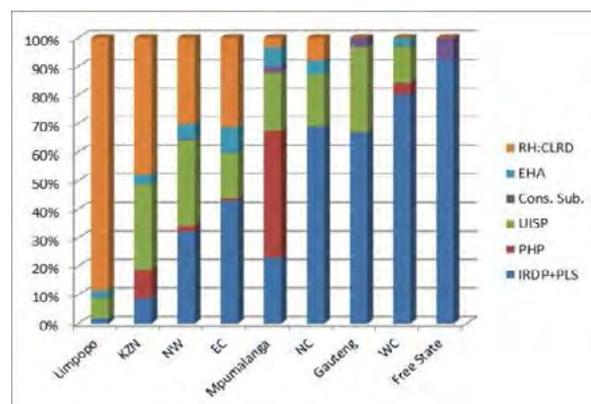
Graph 3: Proportional allocation of funding across provinces in Provincial Business Plan 2013/14 for six sub-programmes

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[4] *Recognising that associated unit costs vary across these programmes one cannot equate a proportional funding allocation to intended unit delivery but this provides a useful set of data for triangulating the prioritisation of sub-programmes in relation to delivery.*

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

4.4.1 *Upgrading of Informal Settlements Programme (UISP)*[5]

Although the UISP was expected to be the vehicle through which the target of upgrading 400,000 households in well-located informal settlements with access to basic services and secure tenure was achieved, the evidence suggests that this programme has not been the focal point of human settlements intervention over the past term as would have been expected.

The graph above illustrates the UISP as a consistent proportional allocation in planning across 8 of the 9 provinces during 2013/14, with only the exception of the Free State. This is indicative that in the last year of the term that UISP was planned to receive approximately a quarter of the funding compared to other programmes. This finding is supported by the Expenditure and Performance Review (RMS, 2013: 1) which found Informal Settlement Upgrading accounted for 24% of the overall expenditure across human settlements programmes (same as the IRDP). Furthermore, the review also indicated that UISP was delivering just less than double the number of units as IRDP at about 55% of the cost per unit, although this could be expected given that one generally entails the creation of a top structure and the other a serviced site (RMS, 2013: 18).

In light of the above point that output per spend is nearly double, and considering the proportion of serviced sites delivered with the qualitative data from provinces, it would appear that UISP and IRDP are comparable in terms of being the primary programmes contributing to the realisation of the performance target, although the specifics of which could not be reliably determined as part of this appraisal.[6] However, even in applying this programme there was some concern that its application

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

[6] *Without a national dataset that can be clearly disaggregated to see the contribution of each sub-programme's output contribution to the overall reporting figures, the best the appraisal can offer is an estimate.*

varies considerably from its intent:

> *"The UISP has hardly ever been used in the way in which it was designed. Provinces have used it in order to basically service more sites in which they'd put in top structures." (National Respondent 13).*

Although provinces were not quick to concede this point, the impression was created that the UISP proved difficult to apply and that ways were found to work around this, although no province went so far as to indicate it was using UISP in relation to a site where top structures would later be delivered.

4.4.2 *Integrated Residential Development Programme (IRDP)*

In terms of IRDP, the above graph indicates that this programme (combined with the Project Linked Subsidy) accounted for anywhere between 2-92% of the proportional allocation in the 2013/14 financial year, depending on the province. This would make it the most versatile of all the housing programmes across provinces, especially considering the multiple phase elements delivering both sites and top structures, although according to respondents this was never double-counted in combination. Further, the familiarity of IRDP as a historical programme and the kinds of financial allocations across each of the phases and performance targets,

would suggest this was the other significant contributor, with the UISP, to the target of upgrading 400,000 households in informal settlements. However, again, a firm indication as to what this programme's contribution was cannot be made at this time.

There was also some scepticism as to how the IRDP was applied. The following quote is telling in this regard:

> *"The provinces have not employed the policy prescripts. They have done business as usual on the old project linked subsidy programme. The programme was designed to give an instrument for a holistic development approach to develop a fully-fledged sustainable human settlement township… but it has not been done yet through the programme, not linked to the policy prescripts and not in terms of the IRDP" (National Respondent 9).*

4.4.3 *People's Housing Process*

The People's Housing Process (PHP) was not generally considered a programme for delivering at scale because of the community engagement element and the manner in which people are involved in building their own shelters. The following quote demonstrates:

> *"It goes beyond a housing unit and it is about build-*

ing a cohesive community. It is about transferring skills to people that are part of the process... The spin-offs of the PHP are far bigger than the other housing projects" (National Respondent 2).

Although the benefits might be described as different between the PHP and IRDP programmes, PHP still is not appropriate for delivering at scale. However, there has been some integration between PHP and IRDP to an extent in specific cases and this has also produced some results in relation to the performance target in terms of serviced sites as well as top structures. However it is also with recognition that it is not in the spirit of the original definition for the indicator:

"Mpumalanga has ventured into [applying PHP with] the IRDP... but it wasn't applied in an informal settlement so much as you find people who were living in an informal settlement, but they had to be relocated somewhere else. It wasn't like in situ upgrading. People have said they'd like to be part of a PHP project to be part of a house, and it wasn't like to say we have this informal settlement and people want to go the PHP route" (National Respondent 2).

4.4.4   *Emergency Housing Programme*

The Emergency Housing Programme is not a housing programme that was intended to be a contributor to the

realisation of the target. In most instances, provinces claimed that it wasn't being used for that as the following quote explains:

"This programme doesn't assist with housing delivery as there are other costs that will be incurred with temporary shelter and these can cost at least half of the structural costs of building a house/site for a household. Also temporary services need to be provided. This comes as part of a loss, because this money could have been serviced for backlog reduction" (Sub-national Respondent 21).

However, scrutiny of provincial reporting in relation to Outcome 8: Output 1 does indicate that in isolated instances the programme is a contributor. Accounts by different provinces though indicated that it was mostly used as a situational solution when people need to be evacuated due to disasters or in some isolated instances, for the purpose of temporary relocation.

4.4.5   *Rural Housing: Communal Land Rights*

Rural Housing: Communal Land Rights was a sub-programme more prevalent in those rural predominantly provinces. The graph at the start of this section highlights the proportion across Limpopo, KZN, North West, Mpumalanga and Eastern Cape provinces, where there was some evidence that the sub-programme was con-

tributing to the overall targets. The following quote from an official in Limpopo explains the benefits of this programme for deliverying at scale:

"It really contributes in the context to Limpopo to housing delivery. This is where you are able to build houses as quickly as you can. In most instances you are building where people are already residing. Here you are giving a house straight away with sanitation. This is the best for Limpopo to reduce its housing backlog" (Sub-national Respondent 21).

While it is unclear the exact extent to which such a programme is being considered in relation to the reported figures, it is clear from the above quote that this was not really in the spirit of the indicator target for Output 1. Informal settlements are not being upgraded: it is more a case of top structures being delivered on communal land.

Taking the case of KZN as an example, there was evidence that the province was excluding this sub-programme from its own measurements in relation to the performance targets for Outcome 8: Output 1. However, it would appear that despite this, there is evidence that this sub-programme is still being considered in the national reporting in relation to Output 1 performance. An examination of the total reported housing units delivered historically for KZN shows that the Rural Housing: Communal Land Rights Programme has consistently contributed the majority of all reported housing units delivered within the province and in the absence of clarity as to how the national department interpreted KZN's reported outputs this is important.

Table 2: Housing units delivered by the Rural Housing: Communal Land Rights Programme according to KZN DHS Annual Report Synopses 2011/12-2013/14

	2011/2012		2012/2013		2013/2014	
	Housing units	% of total	Housing units	% of total	Housing units	% of total
Rural Housing: Communal land rights	11 773	53.24	45 422	79.43	12 964	51.78
Total	22 112		57 188		25 038	

When considering that the latest template for Outcome 8 reporting includes this sub-programme, it is only likely that a proportion of the above are being incorporated at the national level in relation to the upgrading of informal settlements, despite the province disregarding these in relation to the indicator.

Rural delivery was noted by multiple respondents as "easier" when compared to upgrading informal settlements and said to have occurred at scale because there are lesser basic service infrastructure require-

ments (e.g. VIP toilets, etc) and the land is communally owned, thereby making it an attractive programme in terms of delivering housing units at scale, and echoing the sentiment expressed in Limpopo earlier.

However, the manner in which this programme is included as part of the total national reporting appears to be when the national department interprets some proportion of provincial delivery figures in relation to the informal settlement upgrading performance target, and this is not done by the province itself. This will be revisited in the later section on under and over-reporting.

4.4.6 *Social and Rental Housing Programmes*

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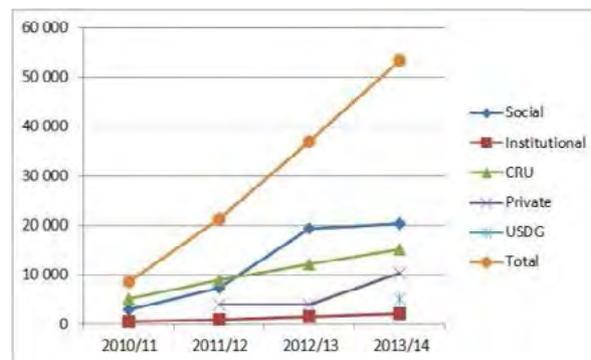
Graph 4: Cumulative Social and Rental Housing delivery from 2010/11-2013/14 by sub-programme (NDHS, 2014a)

The total reported delivery over the period is considered to be 53,339 with social housing contributing 20,429 units, CRU contributing 15,225 units, institutional housing contributing 2,249 units, USDG contributing 5,068 (non-specified)and private rental contributing 10,368. Additional figures from the USDG are also included in the reporting, but it is unclear where and how these figures are reported in relation to social housing. From the above it is clear that social housing was the biggest contributor, although the delivery of units was particularly lumpy and slowed over the last year. CRU on the other hand was fairly consistent over the period with slightly lesser output, while Institutional Housing was also fairly consistent, but with a particularly low output overall. The following quote describes:

"Social Housing was the most successful, whereas there was no uptake on Institutional Subsidy because of questions of viability. There has been a lot of delivery on CRU but the problem has been the limiting factor like the gaps in the policy and people believed it was expensive" (National Respondent 10).
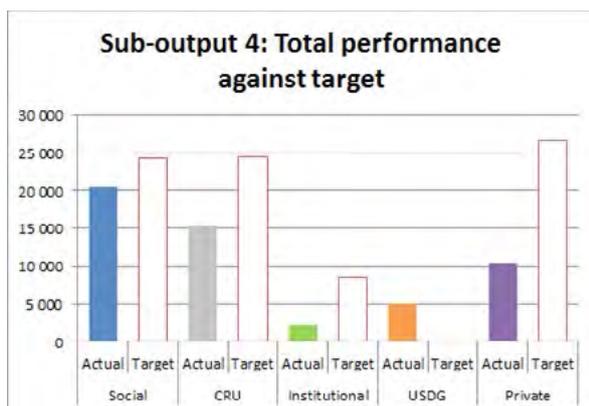
Graph 5: Social and Rental Housing delivery against target

The graph above presents total performance against target for each of the sub-programmes against which social and rental housing units have been reported. It would appear that Social Housing as a sub-programme delivered 20,429, or 84.0% of the target, with underperformance occurring mostly in the last year or so of the term. With regards to CRU, although delivery was more consistent it was 62.4% of the total, or 15,225 units in

total. Meanwhile Institutional Housing, which only had a target of 8,487 delivered only 2,249 units, which was 26.5% of the target. Meanwhile in terms of private rental only 10,368 were delivered, or 39.0% of the target.

The following presents the same figures disaggregated by province with the sub-programmes stacked as a proportion of their target.
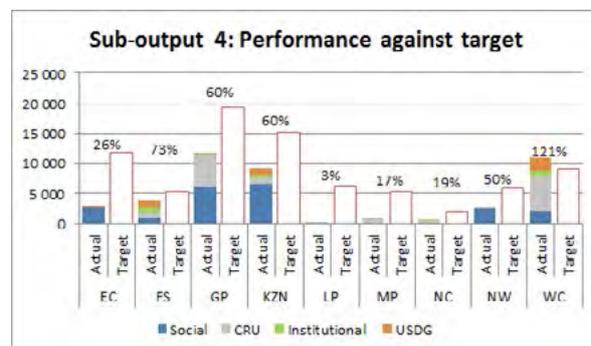
Graph 6: Social and Rental Housing delivery against target by province (NDHS, 2014a)

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

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

The financial allocations in 2013/14 present a stark picture of where provincial resources were allocated across the three sub-programmes as displayed in the graph that follows.
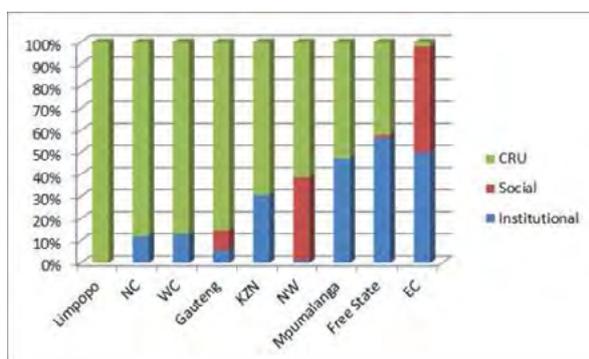
Graph 7: Proportion of social and rental housing sub-programme allocations according to Provincial Business Plans 2013/14

From the above it is clear that in the last year of the term much of what was being budgeted across the provinces was focused on CRU, and specifically conversions/upgrades of existing units rather than the construction of new units. In fact, in all provinces except the Eastern Cape and Free State, CRU was the majority allocation within this set of programmes. The following quotes describe and explain the relative absence of funding for social housing:

"Lack of institutional capacity is probably the biggest issue in terms of affordable rental accommodation provision. The operational cost and the rentals are high, and if the initial idea was to cater for the poor, it was incorrectly aligned. It is for the middle income groups". (National Respondent 9)

"SHRA has all but collapsed and it is really an institutional failure as it has all but collapsed. 20 years down the line we still don't have a rental policy" (National Respondent 11).

"They have not explored the issues with the delivery agents and in terms of the social housing rentals and they must comply with the National Treasury regulations and for delivery agents it was a bit hard and difficult to meet those kind of regulations and then it would end up being a problem." (National Respondent 8)

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

4.4.7 *Basic Services delivered through:*

HSDG

The HSDG is the Schedule 5A grant provided to provincial departments for the purpose of creating sustainable human settlements. The vast majority of what is reported here as delivered can therefore be attributed to the HSDG. Using the national department's figures, as a funding source the HSDG accounts for the following:

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

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

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

USDG (Metro)

The USDG is the Schedule 4B supplementary allocation to the 8 metropolitan municipalities throughout the country. The USDG is an important funding source for the metros, but it would appear that the reported delivery attributed to the USDG is relatively small considering the extent of the housing need concentrated around cities. This is in part because as a supplementary grant the USDG is used by metros for a wide range of infrastructure projects, primarily bulk infrastructure, and thus is not only allocated to internal services for informal settlement upgrading. However, it should also be noted that the USDG was not consistently tracked historically and figures were only presented cumulatively in the last year, although they would have ostensibly applied from 2011/12-2013/14. The delivery figures and proportions of the USDG contributions are presented below.

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

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

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

RHIP (Sanitation and Water)

The Rural Housing Infrastructure Programme serves as a funding source in which instances of potential application in relation to output 1 reporting were identified, but for which there was no evidence that this was substantially or meaningfully included within the figures in relation to the upgrading of informal settlements. An example of RHIP being used in a metro was provided by Johannesburg Water, but it is worth noting that any related delivery in metros would have been accounted for via the USDG reporting which occurs on a metro wide scale. Generally though, RHIP would have been

applied for water and sanitation in rural areas and that has not been accounted for in terms of informal settlement upgrading. The following quote explains:

"RHIP funding has not been accounted for in terms of Outcome 8 reporting historically" (National Respondent 10).

Although RHIP has not been considered historically, if Rural Housing: Communal Land Rights outputs are to be considered within the reported figures for informal settlement upgrading, which it appears has been the case, then an argument could be made that RHIP figures should also be included. In this regard, unverified historical reporting for 2010/11 and 2011/12 indicates 10,000-25,000 VIP toilets were delivered annually (DHS, 2012) but outside the scope of the upgrading of households in informal settlements.

MIG (Municipality)

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

However, even where there is some evidence of this, poor coordination with MIG is more often cited as a reason hindering provincial housing programme delivery, rather than supplementing the figures. The following quotes explain:

In municipalities where the District is a Water Service Authority there have been instances where they've provided Water & Sanitation [through MIG], but the coordination between MIG allocation and the housing programmes is not at the level we would want" (Sub-national Respondent 16)

Primary bulk services is the issue. Even where there are bulk services, the lack of maintenance prevents further delivery. There are issues with the location of the land, and they are always struggling as a consequence of bulk funding, and because it is done by formula the municipality that may have the greatest need, doesn't always reflect in terms of the formula for MIG (Sub-national Respondent 17)

The importance of involving municipalities, and by extension applying their other funding sources such as MIG, is something that was also stressed by national respondents:

"If you want to improve the delivery of houses,

especially in an accelerated fashion, you will have to involve the municipality more proactively and assist it in securing some of these outputs" (National Respondent 6).

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

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

"The USDG is a supplementary grant so they put it together with their own money to deliver" (National Respondent 10).

However, in instances outside of metros it is a rarity that municipal own funding would be meaningfully contribute to housing delivery. Only in a few instances considered an exception, and related to service connections, were examples provided:

"To a lesser extent in Rustenburg to site servic-

ing, but the other municipalities don't really have the income to be able to do that" (Sub-national Respondent 15).

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

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

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

Using the case of KZN as an example, historical performance information was sourced from the provincial department for informal settlement upgrades as well as social and rental accommodation from the depart-

ment's annual reporting in terms of the PFMA (KZN DHS, 2014). This information was then compared with the nationally reported data in relation to Outcome 8. It was also noted that:

Outcome 8 reporting is not subjected to the audit of pre-determined objectives whereas Annual Reports are; and Provincial departments have no incentive to under-state their performance in their Annual Reporting as they also track Outcome 8 delivery in terms of APP indicator targets. The following table presents the figures presented at national level that are attributed to the province (excluding USDG figures) in terms of upgrading of households in informal settlements.

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

Source	2010/11	2011/12	2012/13	2013/14	Total
POA Outcome 8 Reporting attributed to KZN	12107	15974	9872	7801	45754
KZN Provincial Annual Reporting	6765	6859	5718	8588[7]	27930
Variance	5342	9115	4154	-787	17824

From the above, it is clear that with the exception of 2013/14, the POA Reporting for Outcome 8 tended to

be consistently over reported to the extent that NDHS attributed 17,824 more households to the province over the term than the KZN DHS did itself, an increase of 163.8%. When considering the table below for social and rental accommodation units, the same issue of over-reporting occurs in this case as well.

Table 6: Social and rental accommodation units delivered in KZN from 2010/11-2013/14 by different reporting types[7]

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

The above would suggest that in every year the national department over reported on social and rental accommodation in KZN. However, in this case the explanation may rest in the fact that additional housing entities and SHRA also contribute to this indicator. Unfortunately, historical reporting from these entities could not be obtained. This could of course explain the variance in the case of social and rental housing. However, no such additional reporting sources apply for the upgrading of households in informal settlements (USDG metro re-

porting excluded from this analysis), for which the KZN DHS was emphatic in claiming its figures were "inclusive of all relevant housing programmes" in its reporting (KZN DHS, 2014: 2), meaning the inflation came at the national level.

Another means of testing this would be to compare historical national reporting by the Presidency with current delivery figures attributed for the same period. In this case, the Presidency reported 83,412 serviced sites in the 2011 *Mid-term Review of the National Outcomes Approach* over the period 2010/11-2011/12 (Presidency, 2012: 28). However, the current POA delivery figures for 201011-2011/12 include housing units and serviced sites and appear backdated. Whereas in 2012 the Presidency was claiming 83,412 serviced sites delivered, now the POA reporting now claims 128,987 serviced sites were delivered over the same period, and an additional 77,114 housing units were included bringing the total to 206,101 households as of 2011/12, or a 247% increase on what was originally reported in 2012.

In the case of Social and Rental Accommodation, the Presidency reported 16 052 units delivered in March 2012 (Presidency, 2012: 28) whereas now reporting for the same period indicates 21,377 units were delivered (NDHS, 2014b), an increase of 137%. While it is recognised that some adjustment to historical figures may have occurred retrospectively as new data came to

light, particularly in the case of social and rental accommodation, these retrospective leaps in delivery figures stretches claims of credibility and point to a serious inflation of the delivery figures, in part through a belated expansion of the indicator definition, as addressed later.

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

> *"Numerous database systems are being run in parallel to track, record and report on housing expenditure and delivery statistics in respect of the HS programmes, none of which has any defensible level of data integrity. Generally data integrity is very bad across, and within, different systems. In short, Government currently has no trusted source of data on human settlements expenditure and delivery performance" (RMS, 2013: 2).*

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

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

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

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

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

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

The main mechanisms put in place to address under or over reporting against Output 1 targets appears to

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[7] *Based on reporting up until February 2014, excluding March 2014 reporting figures.*

have been a set of revised definitions and templates that were circulated by the National Department of Human Settlements to provincial departments after the first two years of implementation. Initially, this was in response to claims of under reporting as the following quotes explain:

"The information received from the province is reported, but then they say 'but we're doing much more than that'". (National Respondent 10)

"Almost immediately there was a kind of realisation if we didn't do something drastic, we weren't going to hit that target. There was a lot of under-reporting going on and we can start counting these things." (National Respondent 13).

"As the department may be under reporting on sanitation, this is an area that is difficult and reporting mechanism are varied sources that collect data. These can be found in MIG, DWAF, COGTA reports and suspect there is a service under reporting here. When you come across reports you are not sure if you are getting the full picture on these" (Sub-national Respondent 21).

"There may be people or households who have been assisted that were never taken into account, especially by local government". (National Respondent 10)

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

"There are a lot of aspects of the categorisation that need to be revisited in order to account for Outcome 8 delivery properly, hence you will find that in the first two years we were still grappling with the accuracy of reporting" (Sub-national Respondent 12).

"We are a very rural province. The debate is there as to the classification of structures and in the rural areas we have informal structures, but they're not necessarily informal settlements. If we had to have the conversion of informal dwellings in rural areas to proper structure, then the targets would become quite skewed. It depends on how you define them and we have restricted our definition to the urban areas" (Sub-national Respondent 15).

"For output 1 it is relatively clear now…. But it was not clearly defined at the time of arriving at these targets" (National Respondent 10).

In June of 2013, 9 months before the end of the term,

the Ministerial & Members of Executive Committees (MinMEC) Task Team undertook further revisions to the definitions of Outcome 8: Output 1 related indicators. Subsequent to these changes, new reporting templates were issued to those responsible for reporting in relation to the national housing programmes and funding sources.

"Then they started to develop a template to make it easier and then started to get going and going.

The template was enhanced and after further discussions realised they needed to enhance the reporting template again" (National Respondent 7).

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

Table 7: Example of the old Outcome 8 reporting template

INFORMAL SETTLEMENTS UPPGRADING								
Programme	Target Sites	Actual Sites	Target Transfers	Actual Transfers	Targeted Units	Actual Units	Target Beneficiaries	Actual Beneficiaries
Social and Economic Facilities.	0	0	0	0	0	0	0	0
Integrated Residental Development: Phase 1 Planning and Services.	489	0	0	0	0	2	0	0
Integrated Residental Development : Phase 2: Top structure construction	0	0	0	0	0	0	0	0
Integrated Residential Development Programme: Phase 4: Top Structure Construction : Informal Settlements	43	43	0	0	288	240	0	0
Enhanced Peoples Housing process	0	0	0	0	50	0	0	0
Informal Settlement Upgrading, Phase 1 & 2	0	0	0	0	2 414	2 619	0	0
Social Housing Capital Grants for rental housing	0	0	0	0	0	0	0	0
Other Programme: Priority Projects	279	159	0	0	90	0	0	0
Sub Total	811	202	0	0	2 842	2 861	0	0

Table 8: Example of the revised Outcome 8 reporting template

Indicator name	Actual progress as reported for the 2010/11 financial year		Actual progress as reported for the 2011/12 financial year	
	Individual services	Shared services	Individual services	Shared services
	No of households assisted	No of households assisted	No of households assisted	No of households assisted
Upgrading of Informal Settlements (UISP)				
Services: water and sanitation	8 213		5 087	
Top structure with water and sanitation				
Top structure	6 490		18 145	
Sub-total	*14 703*	*0*	*23 232*	*0*
Integrated Residential Development Programme (IRDP INFORMAL SETTLEMENTS)				
Services: water and sanitation				
Sanitation and top structure				
Top structure with water and sanitation				
Top structure				
Sub-total	*0*	*0*	*0*	*0*

(Output 1)

In addition to these template revisions, this study, as well as other related studies commissioned by DPME, National Treasury and the Department of Human Settlements, are all in some way mechanisms to help the

department check under or over reporting and produce recommendations for resolution. However, despite these efforts to date the credibility of reporting figures remains in question.

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

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

Firstly, it needs acknowledging that based on the findings presented, it would appear that the figures reported in relation to this indicator target are not likely to have been realised, despite the secondary data utilised here suggesting otherwise. Outside of the monitoring and reporting issues from which this arises, the following presents some of the key issues hindering the achievement of these targets.

Programmatic approach

From the outset there has been a lack of a programmatic approach to the prioritisation and categorisation of informal settlements at municipal level (National Respondent 4). In some respects NUSP was intended to address this, but the reality is that as an intervention

it alone could not resolve this and as a result undertaking informal settlement upgrading has not occurred systematically or in a fashion that is well-planned and coordinated.

Land

The fact that many informal settlements are on marginal land, and not everywhere meets the "well-located" caveat is problematic. Furthermore, some locations could not ever be legally habited or incrementally upgraded because the existing sites were unfit for habitation (Sub-national Respondent 5). Despite another output within Outcome 8 dedicated to the acquisition of land, this remains a problem according to provincial respondents.

Capacity

Generally, there has been a challenge of capacity within departments, but also in the private sector and community organisations where the socio-technical component and the community-based planning capacity has been short of what was expected (National Respondent 4). Informal settlement upgrading requires a different set of skills to housing project roll-out and these skills have been found to be lacking. This is distinct to the challenges for the bulk and connector infrastructure necessary to undertake these projects and so the capacity issue is challenged in terms of both human resources and infra-

structure available. This is further challenged by institutional weaknesses around procurement processes and ad-hoc decision making.

> *"Still have the problem of subsidy administrators that apply a pre-1994 model of project management so there aren't enough people to deal with in situ upgrading at the bottom end"* (National Respondent 3).

> *"The main issue of bulk infrastructure and issue of the capacity in the institutions at municipal level (as planning takes place here) because approval comes back to province. There is a lack of town planning capacity and this is a major issue"* (Sub-national Respondent 21).

Attitude toward informality

There have been serious challenges in the way provincial and local government address the issue of informality. In provinces like KZN, where goals of slum eradication were set (Sub-national respondent 5), and in Gauteng where there was similar language (National Respondent 4), there has been a historical gap between national housing policy and the actual rhetoric and approach to addressing informal settlements.

Funding

One of the main issues identified by provincial respondents that they claimed were impeding their abilities to deliver on the Output 1 target was insufficient funding (Sub-national Respondents 18 and 25). The limited funding envelope for informal settlement upgrading was identified by at least three provinces as being part of the challenge to delivering against the informal settlement upgrading target. Further, the point was made that as backlogs get reduced it will become more expensive to build or service because the locations will become more of a challenge and the cost of inputs are likely to increase (Sub-national Respondent 25).

> *"The thing that may have impacted negatively on that is the availability of bulk services. It may also be a question of funding to address the problem"* (National Respondent 10).

When considered with the MIG misalignment issues noted above, it is clear that a closer alignment of funding streams at local government level and an increased funding envelope would assist in this regard.

Overall

There remain a series of challenges to addressing informal settlement upgrades properly which the introduction of Outcome 8: Output 1 was not on its own able to

address. Chief amongst these is generalised reluctance to embrace the concept of informal settlement upgrading as it was originally envisaged (National Respondent 3). Combined, all of these factors have seriously contributed to the challenges experienced in the upgrading of informal settlements. One respondent said it well:

"We completely underestimated the corrosive effect of all these factors pulled together" (National Respondent 4).

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

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

• No budget for the first year

• Insufficient staffing allocation of 1.5 contracted consultants

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

After efforts to resolve these challenges a budget was allocated, the NUSP team was able to work with other housing institutions and develop a degree of autonomy. But this never fully enabled them to implement as intended as the result was a severe stretching of capacity.

"The team wasn't big enough: agile, flexible and responsive but under-resourced. When they were doing design, and when rolling out 20-30 contracts and each one has a monthly progress meeting. The fact that 1.5 people on the programme, you can't get around it. The programme was successful and had a big reach but could have achieved much more" (National Respondent 4).

Deviation from design

Generally speaking NUSP was not implemented as it was originally designed. The following explains:

"What we were intending was the roll out of the training course and the capacity building and information sharing exercise before technical assistance. What happened was we couldn't get the national department to approve the capacity building course and they were driven by the imperative to deliver and instead they did two day workshops rather than the ten day course and in some cases they did the workshops after the

*technical assistance. That became very ad hoc".
(National Respondent 4).*

The shift in the reach, depth and extent of the skills transfer element has had implications for the attitude and technical abilities of those intended to NUSP participants.

Procuring technical experts

As mentioned above as one of the challenges to informal settlement upgrading, the procurement of technical experts in relation to NUSP was a serious challenge from both a supply side and in terms of the administration of the procurement processes in general. On the supply side, this was identified as being the result of a both a socio-technical challenge in the private sector, as well as an over-estimate of what the NGO and Community-Based Organisations would be able to bring to the table as local capacity for NUSP (National Respondent 4). The difficulties in attracting and retaining technical experts are a common refrain across the provinces.

Developing informal settlements plans

Challenges in developing informal settlements plans appeared to be more closely related to the prevalent attitudes within specific municipalities and a general disconnect between what people thought they knew about informal settlements and what they actually knew.

Assessments formed part of the interventions and they were integral to improving planning at this level:

"One place said they had 66 informal settlements and they found 104. The tests were not just about the products but the attitude, the approach to informality, toning down eradication, and toning up improvement, quality of planning" (National Respondent 4).

Overall progress to date

Although originally the signing of an SLA was intended to be the point at which a municipality was measured, this was refined to more general and encompassing terms of 'assistance' over the term (National Respondent 4). According to internal reporting, 47 of the 49 intended municipalities benefited in this respect, while an additional three municipalities requested and received assistance as well. Only KwaDukuza and Nelson Mandela Bay did not receive the NUSP assistance as intended over the previous term, but with the additional three municipalities the initiative could still claim assistance to 50 municipalities, albeit with a reduced gate for tracking assistance:

We wanted SLAs with all 49 and we're maybe 2/3 of the way there. (National Respondent 3).

4.6.3 *Provision of affordable rental accommodation*

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

Social housing

Despite starting off the term relatively strong and being the best achiever in terms of sub-programme delivery, according to the figures provided, it would appear that social housing has tapered off at the end of the term. Generally speaking, there were three common challenges to the provision of social housing identified by respondents:

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

- There are too few social housing agents nationally;

- SHRA is not operating effectively;

- Requirements around the restructuring zones are limiting potential areas of development (National Respondent 14 and Sub-national Respondent 3).

In addition to these issues identified, there are more specific issues of delivery related to each of these sub-programmes.

Community Residential Units (CRU)

CRU has been the second biggest contributor in terms of delivery, but a closer inspection reveals that many of the units considered in terms of delivery were in fact upgrades of existing stock. This was an issue cited by KZN, Western Cape and the Northern Cape and there is strong evidence of this in terms of the 2013/14 Business Plan where the distinct between 'Converted/upgraded' and 'Constructed' is made between two CRU sub-programme items. Despite the nature of the outputs being fundamentally different, they have both been included in the count. Despite this, there has still been underachievement and this speaks gaps in the policy and a comparatively expensive price tag (National Respondent 8).

Institutional

In the case of the Institutional Subsidy the main issue has been the question of its viability and this has led to low uptake all around (National Respondent 14). Although it was a comparative minnow in terms of its expected contribution to the 80,000 target, delivery was lowest as a proportion of the target and this appears to be down to cost implications as well as challenges with implementing agents.

4.6.4 *Accreditation of 27 Municipalities with levels 2 and 3*

Challenges to accreditation have been somewhat complex and any explanation of these would have benefited from the perspective of an authoritative political respondent. Nevertheless, it is clear that of the 27 municipalities targeted for accreditation to Level 2, only 20 of these were accredited to this level at the close of the first term of the Outcomes Approach (DHS, 2014b: 26). There were 8 other District or local municipalities at Level 1 that were targeted, but they had yet to achieve Level 2.

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

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

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

• Serious capacity issues at municipalities

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

• Insufficient change management emphases be-tween the intergovernmental stakeholders involved.

On the issue of capacity, the following quote applies:

"On capacity, it's taken the city 5 years to understand the capacity they need, but they are not even 50% there. It's a chicken and egg. Give it to them and they have to up their game" (Sub-national Respondent 18).

Furthermore, there was the intention to accredit 6 of the metros with Level 3, or full assignment of the housing function by the end of term. However, the following quotes provide some explanation, in addition to the above, as to why Level 3 specifically did not happen:

"The situation is politically sensitive and as a result it has slowed down progress towards municipalities acquiring their level 3 accreditation" (Sub-national Respondent 10).

"The challenges around that have been political. Who would relinquish most of their funding capacity to municipalities?...Housing developments should be planned, executed and managed at local level but whether or not they're ready remains to be seen" (National Respondent 9).

This under-achievement has also had implications for the other sub-outputs and initiatives which were conceptualised to be delivered in combination. The following quote explains:

"There were two main aspects about accreditation: Firstly, Devolution of powers in line with the principle of subsidiarity in ways that would suit [municipalities], making them more flexible, bringing closer engagement and in line with NUSP perspective. The two programmes became highly aligned, from the NUSP side, they would say this is a place to watch, good attitude to dealing with informal settlements, looks ok, but it's not delivering, etc, or that such municipality is not a candidate for devolution of powers on an informal level…. Secondly, the change management aspect between NUSP and Accreditation was interrelated. (National Respondent 13).

The implication of the above is that the underachievement in terms of accreditation had a knock-on effect on the NUSP programme as well and that the underperformance in this respect may have been mutually reinforcing, especially considering the resourcing constraints of NUSP.

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

When synthesising the feedback from provincial and metropolitan respondents with the national informants, one gets the sense that there were various contributing factors related to the Outcome 8 policy intended to accelerate the delivery of targets. These can be differentiated as follows:

Executive pressure

The creation of the Implementation Forums as intergovernmental forums for executive leadership to engage on matters related to the achievement of the Delivery Agreements combined with DPME's presence created a kind of pressure and tangible political support for the policy, at least from a monitoring and reporting perspective. The following quotes explain:

"The Deputy Minister was a champion of incremental upgrade and sustainable livelihoods and pressure from DPME assisted in terms of maintaining an independent profile from the target." (National Respondent 13).

"On the one hand there is an obligation to do it and on the other it has been driven by DPME. Had it not been driven by DPME, yeah, enough said…" (National Respondent 11)

"The presence of DPME added the pressure of independent monitoring but they didn't undertake [their own] monitoring. The threat was always that a Presidential independent verification would be undertaken." (National Respondent 13).

The pressure exerted via the regular reporting processes and forums for Outcome 8: Output 1 necessitated some means of 'change' in order to accelerate delivery in relation to the above targets. One example of this would be the focus on Water & Sanitation and elevation of the issue of bucket eradication, although this was not something widely acknowledged in provinces. However, considering the experience of provinces and the evidence from the implementation of the other sub-outputs to date, there is little to suggest additional resources, structured capacity building initiatives, or focussed interventions across spheres occurred outside of on an ad hoc basis. Instead, there is evidence of a more subtle shift to which accelerated delivery can be attributed.

Widening of the goal posts

It has been established that the lack of definition, consultation and communication at the outset of Outcome 8 contributed to some challenges in interpretation, monitoring and reporting. Further, it is established that there have been efforts to address this by revising definitions, consulting stakeholders and producing improved templates. Despite these efforts being suggestive of a more refined, focussed and specific set of indicator definitions for each of the sub-outputs, there still does not seem to be a standard format for defining these indicators or a clear indication of the potential constituent data elements which each indicator may entail.

The example of the changes to the definition of the "number of households upgraded in informal settlements" at a meeting of the MinMEC Task Team in June of 2013, 9 months before the end of the reporting term, provides evidence of one initiative that can account for increases in reported delivery. The following quote illustrates:

"It was agreed that provision will be made in the reporting format for performance that may differ from the definition but did improve the quality of a household living in an Informal Settlement's life. It was agreed that the reporting format will be enhanced to make provision for services

provided to an individual household as well as shared services to a number of households." (DHS, 2013c: 3).

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

"While our reports show that we've made target, if one begins to breakdown exactly how they've managed to make target you see that its been camouflaged by implementing our historically weak programmes, our IRDPs" (National Respondent 11)

"Then they just gerrymandered the numbers and whatever number you want we can get to it. 400 000, how many people did we get out of the UISP and how many there? That is how we came to 400 000 and the numbers are just, not

real. Now we don't really know what we're doing and who's looped in or out of the household. Despite building the new housing approach they start playing around with the numbers" (National Respondent 3).

Lessons learned

Although lessons themselves may not be a mechanism, there is clear evidence that the experience of the first term of the National Outcomes Approach has resulted in some learnings which are likely to improve the ability of government to deliver if these reflections are internalised and applied going forward. Key amongst these learnings are the themes of intergovernmental buy-in across levels, consultation and municipal involvement. The following are some quotes reflective of what has been learned:

"It is important to consult as widely as possible, have all stakeholders as part of the process. If you take the target make sure there is funding and institutional capacity in place. It is important that also everyone is on the same page in terms of what we're meaning by that. What it entails in terms of everyone's responsibility and that kind of thing". (National Respondent 10).

"There should be proper communication with the relevant people and not only on high level and should also be on board and can make a big difference and specifically when a programme like this is starting" (National Respondent 7).

"From where we're sitting it's not going to work until they create an opportunity to [regularly] engage with municipalities" (National Respondent 5).

"If you want to improve the delivery of houses, especially in an accelerated fashion, you will have to involve the municipality more proactively and assist it in securing some of these outputs" (National Respondent 6).

In addition to these lessons, many respondents felt that the experience of the first term of Outcome 8: Output 1, despite its challenges, laid a firm foundation going into the new MTSF and looking forward to the NDP. The following quotes capture this:

"Biggest achievement is to lay the credibility of the NDP which relates to informal settlements. That is a major achievement coming out of Outcome 8". (National Respondent 4).

"Probably 60% of the way there. We have good baselines, we know what's going on, I reckon if we crunch the numbers and kind of put an effort into the institutional support mechanisms, that's another 10-15% and we'd be over the hump." (National Respondent 3).

Finally, the following quote presents suggestions for the way forward:

"[We] need to be more disciplined with the need to give definitions and proper baselines and the kind of key performance indicators and definitions around that. We need better information architecture and attempts to capture wider sets of information and better interpretive capability and then set out the performance indicators against a hierarchy of understanding and enumerate informal settlements and triangulate it against geo-spatial data and StatsSA and it will have to be verified so there are records and we would have to go out and pursue it" (National Respondent 3).

5   Conclusion

In conclusion, the purpose of this rapid appraisal, according to the Terms of Reference, was to provide an appraisal that can be used to strengthen implementation and improve performance of Outcome 8: Output 1 for the benefit of the future implementation and evaluation of outcomes (DHS, 2013: 5). The section thus presents a concise appraisal of the four key sub-outputs before setting out a series of recommendations in the following section.

5.1.1 Achievement of Output 1 targets

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

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

However, if one accepts that informal settlement upgrading is not only about in-situ upgrading and that the relocation is a necessity in some instances and that all greenfields projects provide the opportunity of a serviced site with secure tenure, then the reported figures may be closer to reality. The study has raised questions about data credibility and there are indications that double-counting may have taken place and the true number of households is less than the 447,780 that has been reported. This is particularly the case with the inclusion of housing units in addition to the sites serviced through the IRDP. It is not suggested that this was done intentionally to inflate the figures and achieve the targets. Rather, the manner in which data has been collected, interpreted, combined, reported upward and revised based on new and "more accurate" data, means compilers of the data at national level have had to make judgement calls and approximations around what to include or exclude in an already imprecise process. If pressed to provide an estimate of what was actually delivered, one can use the case of KZN to provide a conservative

range of between 228,557 and 318,117 households in informal settlements were upgraded.[8]

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

Sub-output 1.2 NUSP: The NUSP has also suffered from a revision of the target definition due to challenges experienced in implementation that were not foreseen when the targets were set. However, NUSP has established a presence in all provinces and has assisted more municipalities than was originally targeted, albeit in a less formal manner than was envisaged. The first four years of the programme should be seen as the establishment and institutionalisation of the programme. While the programme could have been more successful if better resourced, the base has now been laid from which the technical support to municipalities has the potential to expand in the next term, assuming there is sufficient supply of the socio-technical expertise to meet the demand.

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

Sub-output 1.3 Affordable rental accommodation: Social and Rental Housing delivery was challenged by institutional shortcomings and overall there was under-performance across all sub-programmes. Although the issue of defining the units of measure was not as serious as in the case of Output 1, there was again evidence from KZN that over-reporting occurred, this despite national reporting indicating that all sub-programme targets had not been achieved, with Institutional Housing and the Private Sector seriously under-performing in relation to the targets set for the period.

Sub-output 1.4 Accreditation: The process of accreditation has not proceeded as intended and has fallen short of the 27 municipalities that were targeted for accreditation. Although couched in terms of capacity or a lack thereof, in truth the process is a political one, seen more from a point of view of power and resources between spheres of government rather than an enabler of Sub-output 1 and Outcome 8 more generally. Perhaps most critically is that the accreditation of metros is linked to other processes including the alignment of the USDG with the housing function and the allocation of the Human Settlements Capacity Building Grant. At the time of writing, 6 of the metros targeted for assignment of the housing function were still at Level 2 accreditation, awaiting assignment.

5.1.2 *Concluding remarks*

The rapid appraisal has provided evidence that there were initially different interpretations and understandings of Outcome 8: Output 1 and that the manner in which it was introduced was less than ideal. Nevertheless, the accountability arrangements it established were helpful in terms of providing regular, focused and relatively concise strategic monitoring and reporting to political leadership, which in turn, kept pressure to achieve the targets. However, an unintended consequence of the pressure to achieve targets, coupled with poor initial definitions, lack of shared understanding, buy-in and planning frameworks that were not well-formulated for the purpose of monitoring and reporting, have led to the reporting of data that is not credible, as corroborated by other independent reports. The issue of data credibility and the shifting of indicator measurement definitions is a contributing factor to why reliable estimates of sub-programme contributions to this target could not be produced.

Despite these problem areas, the introduction of Outcome 8: Output 1 has clearly given impetus to a broader devolution agenda for the housing function. This emphasis permeates the focus on informal settlement upgrading, which is concentrated around the metros and big towns which qualify for accreditation, and serve as target beneficiaries of the NUSP initiative. Outcome 8:

Output 1 has not resulted in the trickle down institutional reform and change management the policy espoused, in part because there were few tangible intergovernmental mechanisms for advancing the approach via the delivery agreements, but they did introduce a political will and interest around a core set of indicators. The result has been that the appraisal has raised questions about the way in which housing programmes are prioritised and applied in relation to the policy, and highlighted the crucial role of more meaningfully involving local government in the process going forward.

6   Recommendations

The recommendations were developed after holding an Expert Panel comprising human settlements specialists to whom a draft of the report was presented. After initial comments on the draft report, the four panellists discussed the findings and analyses before a facilitated discussion solicited broader audience and stakeholder inputs towards a set of recommendations. The recommendations provided here are based on the inputs provided as part of the Expert Panel and directed to the different stakeholder departments and key actors. Insofar as possible, the recommendations are specific, feasible and clearly targeted.

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

As Output 1 is, by its nature, intergovernmental, the recommendations are directed at those bodies responsible for the housing function and related human settlements functions across the different spheres of government except where specified differently.

6.1.1   *Sub-output 1: Upgrading of informal settlements*

- The National Department of Human Settlements, in consultation with the Provincial Departments of Human Settlements, Social Housing Institutions and Local Government, should undertake workshops and presentations to establish a shared understanding and buy-in for the Outcomes Approach, Outcome 8 (2014-2019) and its associated requirements, as well as make known any available support (e.g. capacity building, change management, guidelines, etc.) to assist senior management in cascading a shared understanding across middle and junior management across all three spheres of government.

- The National Department of Human Settlements, in conjunction with all housing stakeholders, should make use of the existing suite of policies and programmes to collectively clarify and define core concepts related to Outcome 8 for the purpose of measurement (e.g. at which stage of incremental upgrade is a housing unit considered "upgraded" and which housing programmes may or may not be considered as contributingto this).

- The National Department of Human Settlements should seek to affect an attitudinal shift amongst provincial and local Government staff in terms of how they approach informality. A positive attitude towards informality is desirable. Informal Settlements are a category of human settlement with a distinct purpose, and all spheres of government

should proactively seek to provide incremental upgrades and housing alternatives that meet the basic requirements of the Constitution.

- The National Department of Human Settlements should exercise better oversight of provincial and local Government planning processes to ensure that funding allocations for bulk infrastructure and other supporting infrastructure is adequate to deliver outputs in relation to the targeted upgrades.

6.1.2 *Sub-output 2: NUSP*

- The National Department of Human Settlements should increase the staffing capacity and funding of the NUSP programme in order for it to realise the depth and extent of skills transfer envisioned for the initiative.

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

6.1.3 *Sub-output 3: Accreditation*

- The Provincial MECs for Human Settlements should assign the housing function to the six qualifying metros as per the agreed accreditation

framework since evidence exists that withholding devolution of the housing function may have had knock-on effects impeding the realisation of other Output 1 and related targets (2010-2014).

- The Provincial Departments of Human Settlements should continue to provide targeted and on-going support to municipalities to ensure that municipalities continue to grow their capacities for eventual assignment of the housing function.

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

6.1.4 *Sub-output 4: Affordable Rental Accommodation*

- The National Department of Human Settlements should review the Capital Restructuring Grant to bring it in line with the costs of development for social housing.

- The National Department of Human Settlements should work with SHRA to bring the institution to optimal organisational functionality.

- The National Department of Human Settlements should consider options for making the pool of social housing agents more competitive, including revisiting subsidy provisions and prescriptions for Social Housing Institutions.

6.2 Cross-cutting recommendations

- The National Department of Human Settlements should revisit the format and structure of the Provincial Business Plan templates to ensure that it is clearly discernible how various programmatic units of measure translate into performance indicators consistent with Outcome 8 (2014/2019) delivery agreements. Specifically, the Provincial Business Plans should:

  - Include targets for all performance indicators contributed to by housing programmes included in the housing business plans[7]

  - Remove superfluous and inappropriately used columns from the business plans

  - Include historical performance for all indicator measures included within the business plans.

- The National Department of Human Settlements should better distinguish between the requirements and emphases of the Implementation Forums and MinMECs so that the functions and intentions of the respective forums are not conflated without regard for the respective purposes, stakeholders and structures.

- Across national, provincial and local government, institutional capacity should be built to ensure all delivery agreements are well understood, signed, and the requisite targets and reporting requirements honoured.

- Provincial Departments of Human Settlements, in conjunction with local government should undertake research to quantify and establish the extent of differentiated human settlements need within their respective areas.

- Spatial data and the use of geographic information systems should become standardised and linked to the units comprising the indicator measures across the various typologies and increments of housing to aid monitoring and auditing of reporting.

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[7] *All indicators included in the Provincial Business Plans should be well-defined as per the recommendations to DPME regarding indicator protocol guidelines.*

6.3 Recommendations to the Department of Planning, Monitoring & Evaluation

The rapid appraisal has produced some findings and analysis that have broader implications beyond just this Outcome. Recommendations that are cross-cutting in relation to the Outcomes Approach, and directed at DPME, therefore include:

- Allow for greater differentiation in the conceptualisation of the logic model and results chain for the Outcomes, better distinguishing between outputs, outcomes and impact and make this theory of change explicit for each Outcome. The Outcomes Approach of 2010-2014 only provided for one overarching outcome to which all sub-outputs and outputs aligned and did not distinguish between immediate, intermediate or long-term outcomes (impacts). Better definition and differentiation will make for a more complicated and ultimately complex theory of change, but this could lend itself to better measurement and strengthen linkages as to how government achieves its desired results.

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

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8 Annexures - Provincial Chapters

Disclaimer: All provincial chapters relied on disaggregated national datasets to present provincial reporting figures. The preceding report challenges the credibility of these figures and concludes that they are not likely to be accurate reflections of what was delivered in each province. Nevertheless, the provincial chapters provide an insight into the experience of the respective provinces and make use of the figures that were shared at the national level.

9 Eastern Cape

9.1 Introduction and context

From 2001-2011 the Eastern Cape has seen an increase of 11.6% in the total number of households, rising from 1,512,662 in 2001 to 1,687,385 in 2011, with a total overall population of 6,562,053, according to Census 2011. Meanwhile, the average household size decreased from 3.9 people per household, down from 4.2 people per household in 2001 (EC DHS, 2014a: 14).

The province is comprised of 45 municipalities, of which Buffalo City and Nelson Mandela Bay stand out as the only two metros in the province, each concentrating a significant proportion of the urban housing need. In Buffalo City the estimated housing backlogs is approximately 100,000, with an existing municipal housing waiting list of 40,000 (BCM, 2013: 28). Despite the trend towards urbanisation, the province maintains a largely rural character, in part a legacy of historical underdevelopment in the former homelands of the Transkei and Ciskei.

Despite the challenge of urbanisation driven by rural poverty, the province has been able to make some progress in addressing human settlements challenges, building 68 185 housing units from 2009-2014, and seeing the overall housing backlog in the province reduce from 750,506 to 606,161 (EC DHS, 2014a: 14).

9.2 Provincial business plan

A review of the 2013/2014 Eastern Cape Department of Human Settlements Provincial Business Plan provides some insight into the programmatic resource allocations at the end of the period under appraisal for Outcome 8: Output 1. The following table provides a breakdown of funding and proportion of the budget per sub-programme.

Table 9: EC Provincial Business Plan 2013/2014 Budget per Sub-Programme (EC DHS, 2014c)[10]

Programme	Sub-Programme	R value	%
Financial Interventions	Financial Intervention Sub-programmes Combined	735 949 702	30.77
Incremental Housing Programmes	Project Linked Subsidies	19 153 399	0.80
	IRDP Phase 1-4	636 684 520	26.62
	People's Housing Process	12 635 284	0.53
	Informal Settlement Upgrading	242 541 222	10.14
	Consolidation Subsidies (Excluding Blocked Projects)	2 550 000	0.11
	Emergency Housing Assistance	135 121 925	5.65
Social & Rental Housing	Institutional Subsidies	63 859 589	2.67
	Social Housing: Capital + Operational	61 371 100	2.57
	Community residential units (CRU) Converted/Upgraded	2 389 989	0.10
Rural Housing	Communal Land Rights	479 362 523	20.04
	TOTAL	**2 391 619 252**	**100.00**

The above table illustrates a few salient points regarding the funding emphasis of the provincial department: If one disregards the aggregated financial interventions, the four phases of the Incremental Residential Development Programme (IRDP) is the single biggest sub-programme within the province, receiving 26.62% of the planned budget. A more detailed inspection of the Provincial Business Plan indicates that nearly 2/3 of those funds go to serviced sites or top structures in informal settlements. When considered with the 10.14% allocation to the Informal Settlements Upgrading (ISU) sub-programme, one can confidently state that the provincial budget at the end of the first term of the National Outcomes Approach concentrated nearly a quarter of the total provincial budget on informal settlement site servicing or top structure provision.

The amount budgeted for informal settlements across these two sub-programmes was only rivalled by Rural Housing: Communal Land Rights spending, which amount to 20.04% for the period, and still falls below that of informal settlements orientated programmes. This would provide an indication that by the end of the first term of the National Outcomes Approach human settlements delivery to informal settlements was planned to be the biggest programmatic priority in terms of budget.

9.3 Output 1: Accelerated delivery of housing opportunities

9.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

In the Eastern Cape the historical emphasis of the provincial human settlements work has been the IRDP programme. The incremental approach has lent itself to application in a variety of contexts and it is clear that within this programme there has been some emphasis on informal settlements in particular. Although the Provincial Business Plan only demonstrates this for 2013/2014, provincial respondents (Respondents 2+3) have corroborated that IRDP has historically been the biggest driver within the province, with ISU later growing. However, part of the challenge in identifying contributing programmes has been difficulty which kinds of projects

"Most of the projects were categorized under IRDP and ISU. When we interpret it, and this is perhaps where the categorisation and interpretation of Outcome 8 at the beginning wasn't where it should have been… within the IRDP projects

there was a huge component of informal settlement relocation project, Duncan Village being typical example" (Respondent 2).

But a common challenge in explaining which programmes contribute to to Outcome 8 have been the definition and categorisation of specific projects. The following quotes explain:

"There are a lot of aspects of the categorisation that need to be revisited in order to account for Outcome 8 delivery properly, hence you will find that in the first two years we were still grappling with the accuracy of reporting" (Respondent 2).

"The challenge is around clearly defining the indicator. I don't think we've ever had a clear definition coming from national. Once you categorise an indicator and give it a clear definition, there is going to be no debate around people understanding it in different ways." (Respondent 2).

Despite these challenges of definition, there is other evidence that smaller sub-programmes have also contributed to Outcome 8. For instance, the province also indicated it has seen some uptake of PHP of late, albeit on a smaller scale but with real ownership of the projects, while there have been other mega-projects targeting Eliotdale and Siyanda in Butterworth under the Rural Housing: Communal Land Rights sub-pro-

gramme. These initiatives have enjoyed high level support from the MEC, and specifically target informal settlements, although under the Rural Housing: Communal Land Rights programme (Respondent 3). This is reflected in the provincial sentiment which has been:

"From the outset we were clear for saying outcome 8 cannot only be in the urban space and must accommodate rural projects" (Respondent 2).

Ostensibly, the top structures delivered as part of this programme would be included as part of the housing units which have been attributed in relation to the upgrading of informal settlements output target.

Contributing funding sources

The Human Settlements Development Grant (HSDG) is the main funding source within the province and it accounts for the lion's share of all human settlements delivery. However, the presence of Buffalo City and Nelson Mandela Bay also mean the province is a recipient of the USDG, which has been a substantial contributor to delivery in relation to the upgrading of informal settlements. See the graph 8.

Graph 8: Number of households in informal settlements assisted through upgrading by data source from 2010/2011-2013/14
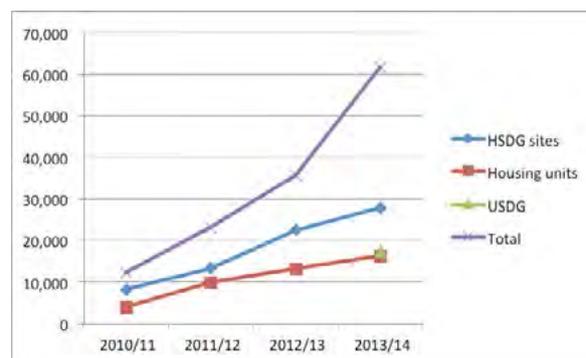
From the above it is clear that the USDG's contribution, included in the 2013/14 financial year but including total figures applied retroactively, accounts for 28.39% of the total provincial delivery over the period. Significantly, it is this inclusion that results in the significant spike in the above graph from 2012/13 to 2013/14. Also apparent from the above is the fact that HSDG sites are the biggest proportional contributor to the overall provincial delivery total, which is likely a reflection of the incremental approach and use of the IRDP programme targeting informal settlements. It is also notable that the figures attributed to the USDG just slightly exceed the housing units in total attributed to the other provincial housing programmes.

Summary of achievements and challenges

In total, 61,713 households in informal settlements were reported to have been assisted through upgrading from April 2010-March 2014. This represents 103.89% of the Outcome 8 target and indicates the province exceeded its target, according to these figures. When compared with other provinces, the Eastern Cape is third in terms of informal settlement upgrading over the period, behind Gauteng and KwaZulu-Natal, but just narrowly ahead of the Western Cape.

In addition to these accomplishments, the province has indicated that it has been successful in acquisition of 1837.5 hectares of land, primarily in the metros Buffalo City and Nelson Mandela Bay, but also in peri-urban areas around King William's Town and Aliwal North, which it intends to use for informal settlement upgrading and social housing provision (EC DHS, 2014b). The availability of this land bodes well for the delivery of human settlements opportunities in instances where informal settlements upgrading necessitates relocation or roll-over development.

9.3.2 Sub-output: National Upgrading Support Programme

The National Upgrading Support Programme (NUSP) has been active in the Eastern Cape in delivering assistance and technical support to municipalities. Provincial respondents indicated that initially there was a need to clarify NUSP's role, but that there have been a series of engagements, particularly from 2013 onwards with two recent workshops in 2014. Workshops in Nelson Mandela Bay and Mthatha were well-received, and comprise part of 4-5 structured engagements which NUSP has held within the province to date (Respondents 1, 2 + 3). However, it was also noted that while these were meaningful engagements, they were noted as occurring rather late in the term of Outcome 8 (Respondent 3).

Summary of achievements and challenges

Some of the significant achievements in the Eastern Cape include the appointment of a Provincial NUSP Coordinator within the Provincial Department of Human Settlements and progress in working with Buffalo City Municipality (Respondent 3). It was noted that there is currently detailed planning of 32 informal settlements underway in the metro, with 33 settlements identified in total and there exists political support and engagement in the planning process (DHS, 2014b: 2-3).

The Provincial Department of Human Settlements has also set Terms of Reference for the appointment of service providers to undertake detailed planning in four other municipalities, namely: Amahlathi, Elundini, Mhlontlo and Mnquma municipalities. It is envisioned that Professional Resource Teams (PRTs) will assist

implementation in the four aforementioned municipalities (DHS, 2014b: 2-3).

Despite attempts to engage Nelson Mandela Bay Metropolitan Municipality, including a workshop there earlier in the year, there has not been as much progress as with the other five municipalities in the province. Despite this challenge, the initiative has clearly been well-received at provincial level. The following statement indicates the perceived benefit and potential benefit it is prompted:

"We now have upgrading strategies for each of these municipalities. Where the municipalities don't cooperate we must replace them. And after we believe that all of these strategies have been done, the [Provincial] Department has to put funding as well so we can have strategies for all these other municipalities that are not part of the target so that at the end of the day we can have a Provincial Informal Settlements Upgrading Strategy, maybe for the next five years" (Respondent 3).

9.3.3   Sub-output: Accreditation

The process of accrediting the metro municipalities in the Eastern Cape has been one fraught with some tension between the provincial department and Buffalo City in particular. There have been different perceived levels of commitment to the accreditation process in the respective spheres of government. This was best addressed by a respondent who explained that at the national level there has been an eagerness to see the process through for devolution of the housing function to metros. However, this eagerness has been at odds with the experience of the Eastern Cape Provincial Department of Human Settlements on the ground. The following explains:

"As the Eastern Cape we have seen the situation where in fact we had to take over projects from municipalities that we assigned them. They were handling them …and when the projects got messy, they had to hand them back over to the province, it just happened this year" (Respondent 1).

This explanation indicates the challenges experienced by some municipalities in managing their own housing projects. However, it is of course at odds with the prevailing sentiment at the metros, which is that they feel increasing empowered and able, in terms of the administration systems and capacity, to take on the next level of accreditation respectively. However, a provincial respondent has also indicated how the gradual accreditation process has prepared the metros in particular:

"It has helped to better understand the human and financial requirements of informal settlement upgrading and this has better prepared them to accelerate delivery going forward." (Respondent 3)

Some reluctance to assign level 2 accreditation in the case of BCM would appear to reflect when it was expressed by a respondent that good performing municipalities are a product of political stability and administrative professionalism. Where there are adequate skills, systems and people in the right places, that is where the function can be handed over (Respondent 1). The implication of this being that withholding level 2 accreditation has been in part due to issues of political stability, administrative professionalism, as well as the skills and systems at present.

Summary of achievements and challenges

In the Eastern Cape Nelson Mandela Bay Metropolitan Municipality and Buffalo City Metropolitan Municipality have been recommended by the accreditation panel for level 2 accreditation. In the case of Nelson Mandela Bay, this was endorsed by the MEC and level 2 accreditation was granted by the end of the first term of the Outcomes Approach. However, this was not the case for Buffalo City where the accreditation panel recommended level 2 but the MEC had yet to approve at the close of the term. When one considers that the intended target was that Nelson Mandela Bay would be assigned the housing function and BCM would be at level 2 accreditation, it is apparent that the Eastern Cape has failed to achieve its targets, in part because of broader issues regarding the devolution of the housing function

nationally, but also because of the provincial dynamics and relationship with BCM. Going forward the onus is now on the municipalities to honor the implementation protocols and demonstrate their ability to deliver at their respective levels.

9.3.4 **Sub-output: Affordable rental accommodation**

Delivery of affordable rental accommodation in the Eastern Cape through social and rental housing sub-programmes is an area where the province has struggled over the first term of the Outcomes Approach. Whereas historically the Eastern Cape had boasted strong performance in the area of social housing, it has more recently been characterised by a state of distress (Respondents 1 + 2).

The three main challenges affecting social housing have been described as the following: 1) Poor planning in municipalities and the requirement of restructuring zones; 2) Lack of institutional capacity and too few Social Housing Institutions (SHIs); 3) The limitations of the capital restructuring grant (Respondent 1). These challenges reflect in the delivery figures over the term and the following graph illustrates this.

Graph 9: Number of social and rental housing units delivered by accommodation type from 2010/2011-2013/14 in the Eastern Cape
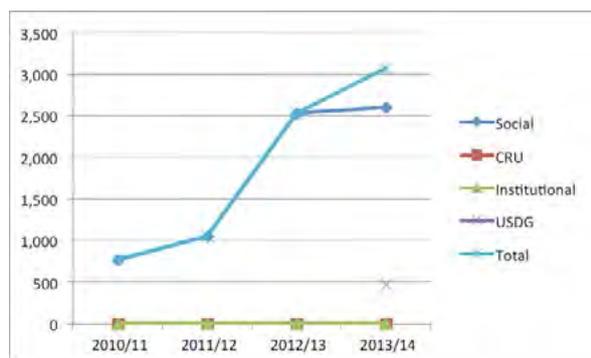
Graph 9 illustrates that social housing and social housing only was the driver of delivery within the Eastern Cape province. Only in the last year did other rental accommodation, delivered in relation to the USDG, contribute something to the overall delivery in the province. Despite this, the above largely reflects what was expressed by provincial respondents, that social housing was something the province was delivering on for a period, but this has largely arrested over late, due to the aforementioned challenges.

Summary of achievements and challenges

The Eastern Cape reported delivering 3,065 social and rental accommodation housing opportunities over the term of the Outcomes Approach. This is well over the provincial target set as 11,888 for the same period, equalling 25.8% of the delivery target for the period. This has put the Eastern Cape at the lower spectrum of performance in relation to the other provinces, and represents a marked area for improvement going forward. The following restructuring zones have been proposed and at the end of term were awaiting approval so as to alleviate blockages and help the Eastern Cape to delivering in the area of social housing: Camdeboo, Mthatha, Queenstown and Kouga (Jeffrey's Bay).

9.4 **Conclusion**

It is clear that over the first term of the National Outcomes Approach the Eastern Cape Provincial Department of Human Settlements has made considerable progress in the upgrading of households in informal settlements, whether through intended sub-programmes or other programmes such as IRDP and Rural Housing: Communal Land Rights. The uptake and engagement with NUSP, while still at an early stage, also bodes well for the future. However, the province has been challenged in the accreditation process and the delivery of social and rental housing opportunities. Going forward, the province will need to prioritise resolving the barriers that have impeded progress over the previous term.

10 Free State

10.1 Introduction and context

The Free State is the third largest province in South Africa with an area of 129,825 square kilometres, but has only the eighth largest population of 2,745,590 by estimate of the 2011 census and an estimate of 2,786,800 for 2014. In the period 2001 to 207 the population increase by 2.4% and the number of households by 9.5%. The province has five districts, of these the biggest is Motheo within whose border the metropolitan municipality of Mangaung lies (includes Bloemfontein). This area has experienced a growth in population on 15% between 2001 and 2007 and a 10% increase in households. The Fezile Dabi district has seen a population increase of 3% and a household increase of 23.7%. The other three districts have population decreases in the period, yet all but Xhariep have seen household increases.

The Free State has traditionally relied economically on gold mining and agriculture. Declines in both these sector have resulted in significant urbanisation in the province, particularly toward the urban centres of Bloemfontein and Welkom.

At the beginning of the 2009-14 period of government the Free State had an estimated 148,059 informal dwellings. Of these 108,906 were in informal settlements, while the rest were comprised of backyarders.

10.2 Provincial business plan

In terms of the budget for the 2013/14 financial year, the province had a budget of R1,120,936,000 for human settlements. Of this R696,210,863 are allocated to programmes contributing to Outcome 8. R401,229,833 is allocated to programmes for informal settlement upgrading, R277,323,655 is allocated to programmes for affordable rental accommodation, and R17,657,376 is allocated to programmes for housing finance.

In terms of the annual targets outlined in the business plan, the province planned to upgrade 5028 sites in terms of IRDP Phase 1: Planning and services. This was consistent with the targets during the rest of the 2010-2014 period, which ranged between 5437 and 6000 sites for 2010-2013. For the IRDP phase 4: informal settlement top structure construction, the province targeted 3407 units completed. This was a significant decrease from the 9000 units of the 2012/13, which showed a significant jump from 1944 of the previous two years. The province had no targets for informal settlement upgrading.

For institutional subsidies the province had a target of 580 units completed in 2013/14. It had a target of zero in 2010/11 but similar targets of 554 and 480 in 2011/12 and 2012/13. For Community Residential Units (CRU), the province planned to upgrade 1693 units in 2013/14, up from 1150 in 2012/13 and 600 in 2011/12. It had no plans to construct new CRU units.

The province also had plans to repair 502 units of RDP stock, 629 units of pre 1994 housing stock, assist 18 farmworkers and 1839 units constructed rural housing.

This business plan shows the level of priority the IRDP receives in the province over most other programmes. In rental terms the CRUs are important but there is nothing in the way of new development envisioned. There is development planned though for institutional housing. Rural housing under communal land rights is the other significant programme in the province staring in 2013/14.

Information in the business plan is subject to questioning however, as targets stated in it do not always match targets as they are stated in the 2012/13 Annual Report.

10.3 Output 1: Accelerated delivery of housing opportunities

10.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

The target for the province for Sub-output 1: Accelerated delivery of housing opportunities was the delivery of 26,400 sites. According to the interview conducted the major contributing programme towards this was the USIP. He said this was the case because, "the majority of the projects are in informal settlements".

According to the same interview the IRDP was not considered a major contributor to the achievement of the target at this stage although there was an effort to move towards. However, this is somewhat contradicted in the business plan, which highlights a significant emphasis on the IRDP in both servicing of sites, throughout the period and the construction of sites the final two year, and yet had no target for informal settlement upgrading.

The PHP is not considered a programme of choice in the province. According to the interview, the department's experience of the programme is that when money gets paid out for houses, it is rarely used for its intended purpose.

The Emergency Housing Programme is primarily used in the province to respond to emergency situations such as disasters. There according to the interview there has been little of this instituted in the period, mostly due to problems related to getting approvals. This is corroborated by the 2012/13 Annual Report, which record that only 63 units were constructed, against a target of 1674, and this is attributed to projects being delayed due to late payments of contractors.

The 2012/13 annual report corroborates the business plan in identifying that rural housing is an important contributing programme for the province, but demonstrated that it did not contribute as much as intended, in that financial year only achieving about half its target of 751.

Contributing funding sources

The HSDG is identified as a major funding source for the province's programmes, contributing an estimated 60% of the funding. However, from the interview conducted it is felt that the size of the grant is a limiting factor.

Mangaung receives USDG funding, yet despite this the provinces is making contribution to the metro, particularly relating to the acquisition of land. From the province's perspective it is unclear what the USDG funding is being used for, as they are still making contributions and Mangaung does not report to them on USDG projects.

The province identifies that it struggles to get municipalities to align their MIG spending. The municipalities in the province were generally identified in the interview as impoverished, with little of their own revenue meaning that they are largely unable to contribute their own funds.

Summary of achievements and challenges

Figure 1: HSDG and USDG contributions to provincial target
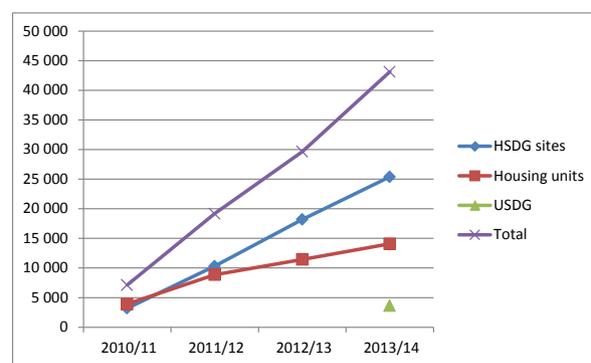
In terms of delivery, the province has been able to achieve its targets as laid out in the beginning of the period, according to their own data as collated by the National Department of Human Settlements. The province had a target of 26,400 upgrades in the period. It achieved 25,492 site upgrades and completed 14,077 housing units. This combined with 3,647 USDG sites in Mangaung, meant that the province achieved 43,216 upgrades, or 163.7% of its targets, in terms of its own data. The graph above demonstrates that this was achieved the through a consistent number of upgrades each year, over the period and the delivery of housing units, though at a declining rate of the period. USDG only contributed in the final 2013/14 financial year.

10.3.2 Sub-output: National Upgrading Support Programme

Summary of achievements and challenges

The province has a functioning provincial NUSP forum (DHS, 2012) 3 municipalities have been included in the programme 3 municipalities have been targeted for the expansion of the NUSP programme (FSDHS, 2013; 27).

According to the Plan of Action Fourth Quarter 2013/14 template rapid assessments, categorisation and enumerations have been completed in all six municipalities. Four settlements have been selected as pilots and

technical and upgrading plans have been produced for the implementation thereof. Through the programme Mangaung has additionally received technical assistance from the Housing Development Agency (HDA). The official interviewed felt that the programme was proceeding well from the province's point of view but that it was mostly driven by the HDA working closely with the national department.

10.3.3 Sub-output: Accreditation

Summary of achievements and challenges

In terms of accreditation, only Mangaung Metropolitan Municipality in the province was identified for level two accreditation. This was achieved April 2013, having supporting the city towards this through the 2012/13 financial. According to one provincial official however, "Not much has changed. The province is still implementing the projects and we don't know what they (Mangaung) are doing".

10.3.4 Sub-output: Affordable rental accommodation

Document the declaration of re-structuring zones within the province and where this has occurred. Identify important issues related to the project pipeline, relationship with the Social Housing Regulatory Authority (SHRA), and distinguish between Social accommoda-

tion, CRU, Institutional and Private sector provision within the province.

Summary of achievements and challenges

Figure 2: Rental contribution toward Outcome 8: Output 1
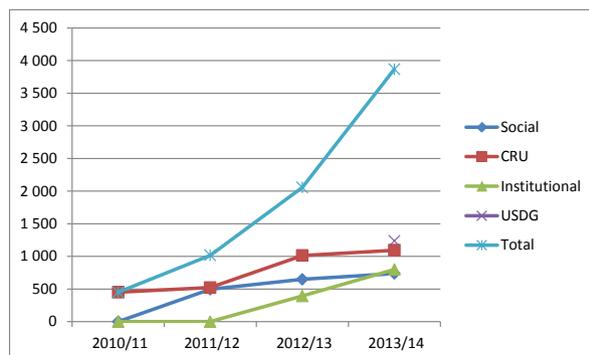
The Free State's target for rental accommodation was 5,280 housing opportunities. Of this 730 were to be achieved through social housing. However, the according to the province's own data collated by the National Department, it only managed to achieve 73.2% of its target. It achieved its social housing target, providing 737 social housing units in the period. In terms of CRU, the province delivered 1,094 units. It is likely, given the targets in the business plan, that these were upgrades and not new developments, although this is not distinguishable from the data available. In terms of institutional housing the province provided 799 units and the

USDG contributed and additional 1237 units. The graph above shows that delivery year on year has been inconsistent across programmes. Institutional housing had no impact early the period before picking up in the final two year. CRU made significant contributions in the first and third years but only slight contributions in the second and third. Social housing made significant contributions in the first year of the period, but limited contributions in the final three years. USDG was only introduced in the final year. Overall rental opportunities were provided at an increasing rate over the period, with the introduction of the USDG making a significant contribution towards the end of the period.

The province has only two restructuring zones, both in Mangaung, Bloemfontein CBD and Brandwag, so social housing opportunities are limited in terms of where they can have an impact in the province.

10.4 **Conclusion**

In terms of reaching its targets the Free State exceeded its targets in terms of Sub-Output one by a significant margin according to its own data. It has established its own NUSP forum and the programme is assisting six municipalities. The province has accredited the Mangaung Metropolitan Municipality. Rental is the only sub-output where the province has failed to achieve its target, achieving only 73.2%. The addition of the USDG

has made a significant contribution to both the rental and the provision of housing opportunities in the last year of the period.

There are concerns, however, that the majority of the rental programme has been upgrades rather than the provision of new units.

Officials are also concerned that Mangaung, despite being accredited, is still reliant on the province for the provision of housing, yet does no report on its progress to the province.

11 Gauteng

11.1 Introduction and context

The draft report provides an analysis of the current state of housing in the Gauteng province with regards to Outcome 8: output 1. The analysis of the province is taken from two site visits and individual one on one interviews with the relevant stakeholders involved with the planning, implementation and reporting of performance in relation to Outcome 8: Output 1- Accelerated delivery of housing opportunities. This includes the upgrading of households in informal settlements; the implementation of the National Upgrading Support Programme; the provision of affordable social and rental accommodation; and accreditation at the City of Johannesburg and Gauteng Province Head Office.

Gauteng is considered the economic hub of South Africa and contributes heavily in the financial, manufacturing, transport, technology, and telecommunications sectors, among others. It also plays host to a large number of overseas companies requiring a commercial base in and gateway to Africa. In 2013, StatsSA recorded the population of the province at 12 728 400 and at 24% of the total population of the country. It was also noted that Gauteng is one of the provinces that receives that most migrants from other provinces. This one would say, contributes to the ability of the province to ensure housing

opportunities are available and are met in a standard that is best suitable for all households. The census report of 2011 reported that there were 2 735 168 households counted in that province in the 2001 census; a decade later, this had grown to 3 909 022 households, a growth of 42.9%. Of this the existing housing backlog amounts to 679 354 as indicated in the table. The table below illustrates the distribution of this total with the regions in Gauteng. This figure also shines a spot light on the amount of informal settlements that the province is facing with and as a regard, the province faces pressures to ensure that they combat and either shrink or eliminate the large housing backlog number without affecting the increasing number of informal settlements.

Table 1: Gauteng Housing Backlog

Municipality	Demand/ Backlog
Johannesburg	263 794
Ekurhuleni	191 809
Metsweding	4 301
Sedibeng	53 564
Tshwane	116 694
Westrand	49 192
TOTAL	679 354

The table above highlights the need to attend to the issues of backlog in the Gauteng region. Therefore, it is imperative that each region address the main issues

around housing and also prioritising projects that are most needed in each of the regions. Because there are significant challenges in number of informal settlements, these are largely displaced in Johannesburg and Ekurhuleni regions of the province, with Metsweding having the lowest number of settlements.

The report provides an analysis of the findings that were generated from the interviews and site visits that looked at the current state at which housing responsibilities are taking place and how some of the programmes associated with the human settlements approach are contributing to meeting some of the provincial targets of Outcome 8 – output 1. The report then closes with some conclusions and recommendations to be taken forward into the overall rapid appraisal report.

11.2 Provincial business plan

The provincial business plan highlights the core financial narrative about the plans of the province and estimates for the targets met. It looks at providing costs on all finances associated with the department and also on how planning over various programmes is done.

The budget allocated for Gauteng province for 2013/2014 financial year for outcome 8 is reported to be at R1 954 819 003 of which R121 790 9754 is allocated to informal settlement upgrading. The table below illustrates the figures for each of the outputs.

Table 2: Gauteng budget summary 2013/2014

OUTCOME 8	Q1	Q2	Q3	Q4	TOTAL
Informal Settlement Upgrading	77788707,33	167848150,1	379410462,1	592862434,1	1217909754
Affordable Rental	24579508,68	49355507,87	164273781,3	290185313,3	528394111,1
Housing Finance	7037025	9113706,29	54628640,29	92735766,29	163515137,9
Aquisition/Release of Land	0	0	7500000	37500000	45000000
Total Outcome 8	109 405 241	226 317 364	605812883,7	1 013 283 514	1 954 819 003

The provincial business plans highlight the all expenditure per region and also takes into account the various programmes that take president in each of these

regions. The view of the budget summary highlights the overall targeted expenditure in relation to the plans the department sets out to achieve in a given financial year. The funds in the above table show the need to invest more funds into output 1 agenda in order to improve informal settlements. Within the business plans, the grant profile specially identifies and defines Integrated Residential Development: Phase 1 Planning and Services and their indicators which serve to outline the number of sites serviced under Integrated Residential Development: Phase 1 Planning and Services for Informal Settlement Upgrading. Within the Integrated Residen-

tial Development: Phase 2: Top structure construction is made up of the number of housing units completed under Integrated Residential Development: Phase 2: Top structure construction for Informal Settlement Upgrading. Lastly the Integrated Residential Development Programme Phase 4: Top Structure Construction: Informal Settlements" looks at the number of housing units completed. The annual targets for each of these from 2010/2011 to 2013/2014 are listed below. These totals all contribute to the national target of 400 000 set by the national DHS for output 1 of which 97680 is made up for the Gauteng province.

Table 3: Annual Targets – output 1

	Annual Target			
	2010/2011	2011/2012	2012/2013	2013/2014
Integrated Residential Development: Phase 1 Planning and Services	1323	4733	8943	12706
Integrated Residential Development: Phase 2: Top structure construction	27342	8035	5483	8150
Integrated Residential Development Programme: Phase 4: Top Structure Construction: Informal Settlements	0	6587	0	0

A representative from the Gauteng Head Office highlighted that in the metro space there is a major challenge around the synergy of budgets and planning. The BAPS and business plan, engage at national on a quarterly basis to ensure that there is good financial understanding and expectations on estimates and targets

that are met. The alignment of planning within various projects life cycle. The allocation of Outcome 8 should also involve metros in order for better planning that can produce seamless stages of monitoring and evaluation to then report on and also to make a direction towards a higher level or degree of impact irrespective of the project.

In terms of the Delivery of well-located and affordable rental accommodation sub-output 2 of output 1, this accounts for three major interventions. Namely institutional subsidies which constitutes of the number of institutional unities completed. The planned numbers by the province in 2010/2011 were 0, 2011/2012 50, 2012/2013 110 and 2013/2014 110.

Secondly social housing which is made of the number of social housing units completed there were no figures recorded but the Community Residential Units (CRU) had large figures for the number of CRU units that are converted/upgraded between 2010/2011 at 21370202,31, 2011/2012 992, 2012/2013 824 and 2013/2014 400. However, the number of CRU units constructed was low at 228 between 2010/2011, 204 for 2011/2012, 100 for 2012/2013 and 551 for 2013/2014.

Although the BP mentions other programmes, no figures were given in the plans to show what progress had been made for these.

There is a clear evidence by observing this business plan that most of the funds for outcome 8 for the province have been largely been invested in the CRU upgrading/services of sites.

The incremental housing interventions for the province play a crucial role in driving improvement of informal settlements as seen in the BP. The allocation of funding to these programmes is largest of the cash flow indicators. These incremental programmes comprise of project linked subsidies, IRDPs, People's Housing process, People's Housing Process informal settlements, Informal Settlement Upgrading and Emergency Housing Assistance. The subtotal of these programmes for 2013/2014 for planned number of sites and planned number of houses is 11 852 and 23646 respectively. The province noted that the idea around doing projects incrementally on a yearly basis helps to ensure that the impact is felt by relevant households.

This needs to keep in mind that various monitoring strategies in place need to understand how to address the concerns that are raised by these figures and what the results of the impact tell the province.

What has been noted about the outcome 8 targets in the business plan is that these were largely prescribed by national and not involved the interaction of province. The danger here is that is creates false expectations and

issues around meeting targets when work load amongst province needs to be better managed and shared. Within Outcome 8 it is evident in the department that IRDPs, Informal Settlement Upgrading and CRUs.

11.3 Output 1: Accelerated delivery of housing opportunities

11.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

Each of the programmes plays a different role in contributing to the realisation of targets of output 1. Stakeholders felt that the definitions of the IRDP and UISP were not adequately defined and therefore, as a consequence some of these programmes fell into different areas. The importance of IRDPs for the province is noted in the vast programmes it conducts which not only provide for serviced stands but for houses and also fully serviced stands. Therefore some confusion is created in looking at which programme is directly involved with prescribing the particular desired outcome.

The stakeholders form CoJ highlighted the issue of major backlogs within the city to and that establishing

in-situ has and the green field approach have been introduced as a mechanism to respond to some of these issues amongst shacks in townships. With response to the CoJ and the Integrated Residential Development Programme (IRDP) this is a system that is responding adequately to the outcome 8 targets. It ensures that when sites are adequately serviced to provide a range of services for people. The Department of Rural Development and Land Reform is involved in this process to make these means available to government. Also take a formal position or situation where government identifies land and developments in terms of basic infrastructure given title agreement and given consolidation and given to structure which is also part of in-situ. This approach then formalises what used to be of the informal settlements.

The emergency housing programme largely comes into play when people need to be eradicated from their homes and then finding places for them to live until a formal structure can be provided.

Social and rental housing programme provides and contributes to roads and storm water services for those that never had.

Contributing funding sources

The IRDP is largely made up of the HSDG as a source of funding and over the financial years since 2010/2011

there has been a sharp increase of HSDG sites, see graph below. This could be because of the Gauteng received the largest share (R3, 8 billion), in 2011 which was then further broken up by the province for the upgrading of informal settlements, rental and social housing, and land acquisition. The province received a large HSDG amount this also due to the large backlogs facing the province and large informal settlements which contributed to expand between 2005 and 2009. The province also recognised that the HSDG not just services sites and houses, but also looking at improvement economics impacts of communities.

Graph 1: Provision of housing by source
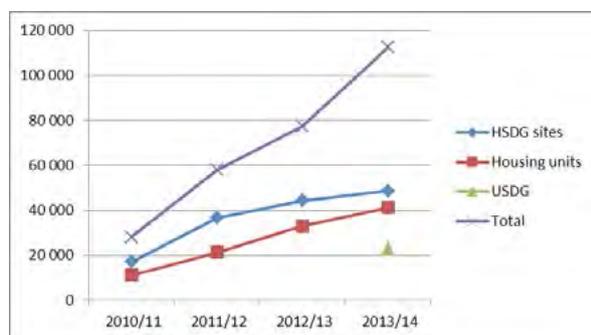
The USDG grant was introduced in the 2013/2014 financial year for the 8 metros of which Gauteng has three, in order to "address these infrastructural problems, thereby unlocking projects for the HSDG. It achieved this through land acquisition, bulk infrastructure provision and the better alignment of priority programmes in funding sources given to national, provincial and local government" (www.pmg.co.za). The USDG grant therefore allows for the metros to to align all grants to ensure bulk infrastructure is in place before implementation of programmes and projects. As a result of these two major sources of funding the housing units have increased in the province and also provide for a sustainable effort to bridge the gap of the upgrading of informal settlements.

As highlighted by the CoJ stakeholders, the USDG is an important form of funding as it helps with addressing some of the issues that deal with the RDP funding model. The funding for infrastructure is taken from this allocation and it also includes contributing towards funds that look at bulk infrastructure development If informal settlements require water and sanitation infrastructure to be implemented there is a need to consult with the USDG allocation which has replaced MIG city funding sources for maintenance which are then funded by the city. There is provision to ensure that rates collections are administrated and that service charges and included. Capital investment is seen to be done through the USDG and the HSDG.

Gauteng Province also stands firm on the premise that HSDG is not just a source of funding that services sites and houses, it also looks at improving communities and targeting economic enhancement for citizens. The role

of province with regards to HSDG is needed to help ddefine the roles with metros to ensure that everyone understands what each is then expected from each of these metros/munics.

No other contributing funding sources were attributed by both the City of Johannesburg and the Provincial department.

Summary of achievements and challenges

The provincial department noted that some challenges have come in to play due to under spending and project delays. As a result an intervention known as Project 48 had to be introduced which would enhance the scope of work to spend the budget. The province has performed well in terms of meeting their delivery targets in terms of UISP that was set for the province. By September 2013 the province had already met its target and still had two more quarters to go. According to the POA summary by the department (2014:3) "categorisation is underway in City of Johannesburg for 21 settlements, Mogale City for 66 and 18 settlements in Ekurhuleni Metro while the SLA's for Emfuleni (24 settlements) and City of Tshwane(30 settlements) municipalities are in the process of being concluded between the Department and Service providers".

The figures that the province made consisted of the 48 603 of HSDG delivery from 2010/2011 till the end of the period, 31 March 2014 Additional to this the province managed to deliver another 41 142 housing units, totalling 112 362. A total of 102 895 units were recorded to be done by the province, exceeding its target by 116.1%.

What seems to be working in favour of the province is that three of the metros are within the province allowing for the use of USDG to be allocated further into metros to service issues of bulk infrastructure. Because the provinces is also heavily populated the need to provide bulk services also proves to be a challenge that requires the province to investigate on ways to acquire land to adequately provide housing opportunities for its citizens.

11.3.2 **Sub-output: National Upgrading Support Programme**

The National Upgrading Support Programme has been identified in five areas in the Gauteng region, namely in Johannesburg, Tshwane, Mogale City, Emfuleni and Ekurhuleni. It has been noted that, a national NUSP Unit and provincial NUSP structures have been established. A support programme has been developed. It is intended to enlarge the NUSP Core team in order to create more capacity.

The City of Johannesburg mentioned that from a technical perspective the support programme has produced

what was stipulated in the ToRs. In September 2013 2009, a workshop was conducted with CoJ and NDA for NUSP for officials who work in housing and play a role in projects aimed at upgrading informal settlements in the city's various regions attended the first workshop. The purpose of the workshop was to discuss the challenges of informal settlements and highlight the policy intentions as well as share the lessons drawn from the upgrading programme.

Summary of achievements and challenges

Challenge is that there has been a resistance by communities in terms of interaction and that some of the project issues are beyond their control. With the province as a whole is seems as if the intensions of NUSP are understood and aim to provide an intervention that is worthily for provinces to further develop in. The involvement at this stage of NUSP with the province has been the various workshops that have taken place to improve on capacity development measures; technical skills transfers and creating various collaborative approaches to upgrade informal settlements.

11.3.3 **Sub-output: Accreditation**

The GP provincial APP (2012: pg. 16) states that "in 2011/12, due to the accreditation process, there arose a need to transfer approximately R500 000 000 to the 3 metros within the province to fulfil certain housing func-

tions. This has resulted in the Department having to revise down the projected annual targets". In light of this transfer of funds, there was a need to ensure that the municipalities would then be able to qualify to receive this funding in order to do these tasks but they needed to ensure that they were qualified to do so.These 3 metros are made up of Tshwane, Johannesburg and Ekurhuleni which have been accredited to perform housing functions which are outlined as levels 1 and 2. Although this contributes to the overall housing objective, it has given less control to province to address the housing backlog because of funds being directed to municipalities.

Currently, CoJ has been awarded accreditation at level 2 and are working towards attaining a level 3 stamp of approval. It is seen as a good process that will help with achieving some of the targets that need to be met with delivery agreements.

However, there were mixed views were expressed by City of Johannesburg and Gauteng Provincial Human Settlement Department about the idea that the process has been envisioned to have. The process looks at getting all projects to go to local authorities to administrate the process as it is seen that local authorities can better handle the needs of their communities. The process is seen to have halted due to politically sensitive issues, but in most instances it is seen that it can provide for a more organised approach if structural roles are revis-

ited to ensure that there is better communication and output role out from parties who are involved in rolling out services.

Summary of achievements and challenges

There are a few resolutions and engagements that are occurring with Technical MINMEC to help with the confusion about the accreditation process. National allocated a new panel that is supporting the accreditation in province, budget allocation per metro for entire admin assistance with the process. There is hope that is appointment of the panel will speed up the process that it needs to happen and what bodies will be involved in making the process relate at all the relevant levels of engagement. Hoping to speed up, have been a challenge to understand at what stage of development. The GDHS noted that their Chief Director has been overseeing the process and has been engaging with national metros involved in this process.

At the City of Johannesburg level it was described that the process is going well and that they had received their level 2 accreditation and pointed out some issues in that mandate to do it from province may create hostility and discomfort due to the perception that work could be taken away from their responsibilities. However,

from a project point of view, it makes more formalised approach to it and buy-in at willingness to do the work that is best understood by the

The province as a whole has received its accreditation at level 2, however not at level 3 as envisioned by the plans of the NDHS as stipulated in 2010. However, due to political sensitivity this has resulted in being acceptable and therefore allowing for these metros to still get an opportunity in the current financial year to achieve their level 3 accreditation.

11.3.4 **Sub-output: Affordable rental accommodation**

The regional office of Johannesburg on behalf of the GDHS looked at how important the use of social housing plays. The existing high rise building and developing new social housing departments show that Kliptown residential has a system of pay for rental stock. Where CRU is basically for high rises, hostel dwellings into family units, perpetual units by government and making sure rental is at affordable level. Government is internally involved with this as society may want to take ownership of stand over a period of time.

Graph 2: Gauteng Provision of Affordable Rental Accommodation

Graph 2 depicts the increase in affordable rental accommodation taking place in. There is no contribution by the province to institutional Housing taking place. Affordable rental accommodation is largely made up of social housing and community residential units. The province target for rental accommodation was at 2678 units with a budget of as highlighted in the business plan earlier in the report; there has been a gradual rise of these programmes to try and improve the state of rental accommodation in the province.

Social housing target was set at 9941 and the province managed to reach 6 173 , a percentage of 62.1%. The province hit a target of 5094 for CRU's which are the largest contributors for rental accommodation for the province. Of this, there are more units converted and/or upgraded by the province than constructed for these structures. The main contributing factor for the department not meeting its target is due to the market at its response to rental costs and distortions that are also created in location of these accommodations as some are near RDP housing which does not adequately market the intervention effectively.

The Department did an initiative around 2007/2008 as a pilot programme in Orlando and Zola, Soweto townships that could basically eradicate the informal settlements and encourage a rental accommodation set up. Some of these earlier initiatives were to facilitate the move towards introducing social and rental accommodation opportunities to areas in the province.

Summary of achievements and challenges

The provincial department mentioned that the reason that they could not reach their social housing targets, is that these were previously set came from national and province was not engaged with fully to understand if these could be met. Ultimately, the targets were high, considering that rental has high cost implications. In order to improve these issues, there needs to be an open mind about other ways/projects that can help close some of these housing backlogs that also speak to strategic plans of the provinces. Gauteng rental sector is

also believed to have many disputes with tenant and landlord relations which the province recognises is also a hindrance to adequate meeting targets. They also noted that in the CRU programme is costly to implement and hardly any return on investment. It was also mentioned by the department that the rental housing schemes were developed for a minimum monthly rental fee of R1 500. However, the communities said that they could not afford this amount so in some areas it had been lowered to R750.

11.4 Conclusion

It is evident that the Gauteng provincial department of human settlements has achieved its target for outcome 8: output 1. With the help of the HSDG and USDG as the main sources of funding the province has reached its target towards the upgrading of informal settlements. In the last 20 years, we have built more than half million homes and brought hope to people who had been living in informal settlements. However, there are still issues that rest on some of the way in which national went about setting targets for the province without proper consultation of their plans that were already in place. Although this is the case, the province still managed to meet its target and go beyond what was expected of them accept for rental accommodation. There is little information that was given about the NUSP as not a lot of

information was provided by the officials from the province. Although acknowledgement of the programme was seen to be beneficial for skills transfer and assistance with eradication of backlogs, there is still more information needed to understand its purpose.

12 KwaZulu-Natal

12.1 Introduction and context

The province of Kwa-Zulu Natal presents a vast challenge for the South African state in terms of human settlements provision. It occupies 94,383 Sq. Kms, equivalent to almost 8% of the total land area of the country and is the second largest province in the country by population, representing 20% of the national total (StatsSA, 2012; KZN DHS, 2009: 109). Of the 2,539,429 households in Kwa-Zulu Natal, more than 1/3 of the population reside within the province's only metropolitan municipality, eThekwini, concentrating the human settlements need around the metro (StatsSA, 2012). Although the province is punctuated by urban nodes around Durban, Pietermartizburg and Richard's Bay and connecting corridors, the province is characterised by its rural nature with approximately half of the population residing in rural areas, presenting a housing challenge that spans from traditional dwellings and mud huts to starkly inadequate informal structures in urban slums.

The Kwa-Zulu Natal Department of Human Settlements adopted the eradication of all slums by 2014 target nearly a decade ago and sought to make serious inroads into the proliferation of informal settlements in urban areas especially. Despite these efforts, according to Census 2011, only 78% of the province's population was enumerated as residing in formal dwellings (StatsSA, 2012). Even considering the best indications for provincial human settlements delivery subsequent to the Census, nearly 20% of residents of Kwa-Zulu Natal do not reside in dwellings considered formal.

eThekwini

As the only metro in the province eThekwini presents the greatest concentration of the human settlements need, particularly with regards to informal settlement upgrading, social and rental housing. The following table presents a breakdown of the backlogs in the metro.

Table 10: Ethekwini backlogs and timeframes (EMM, 2014: 13)

Basic Service	Existing Backlog as at 2013/06/30	Delivery per annum	Timeframe to address based on current delivery levels
Housing	404 192 hh	5 000 to 10 000	41 to 82 years
Water	71 486 hh	2 000 to 2 500	29 to 37 years
Sanitation	21 7508 hh	8 000 to 10 000	23 to 28 years
Electricity	29 0393 hh	8 000 to 13 000	23 to 37 years
Refuse removal	0	0	0
Roads (km)	1 118 Km	10 to 15 Km	97 to 145 years

It is against this backdrop that Kwa-Zulu Natal had one of the largest targets (76,200 households) for informal settlement upgrades as part of Output 1 of Outcome 8 during the 2010-2014 period, second only to Gauteng.

It also had the third largest target for social and rental housing provision for the same period, with 9,103 units targeted.

12.2 **Provincial business plan**

An analysis of the Kwa-Zulu Natal Provincial Business Plan for 2013/2014 indicates that the biggest programme as a proportion of planned spend is Rural Housing: Communal Land Rights, receiving nearly a third of the total provincial human settlements budget in terms of the HSDG, almost comparable to the total for all Incremental Housing Programmes combined. See the table below.

Although the table also indicates that Informal Settlement Upgrading (ISU) receives more than 20% of the total HSDG budget in 2013/2014, this figure stands in contradiction to the budgeted amount reported in the KZN DHS Annual Report Synopsis 2013/2014 which indicates that R930,535 was allocated to ISU, although only R624,281 (67%) was reportedly spent (KZN DHS, 2014a: 1). Despite this under-spending, this is a substantial ramp up in the Provincial Business Plan from 2011/2012, where in the space of three years an increase in funds earmarked for informal settlement upgrade at the planning stage came to be nearly 20% of

Table 11: KZN Provincial Business Plan 2013/14 Budget (KZN DHS, 2013b)

Programme	Sub-programme	Budget (R)	%
Financial Interventions	Combined financial interventions	815 061	25.29%
Incremental Housing Programmes	Project Linked Subsidy	113 234	3.51%
	IRDP Phase 1-4	74 612	2.32%
	PHP	218 027	6.77%
	Informal Settlements Upgrading	646 040	20.05%
	Emergency Housing	70 046	2.17%
Social & Rental Housing	Institutional	77 673	2.41%
	Social	0	0.00%
	CRU	173 843	5.39%
Rural Housing	Communal land rights	1 034 009	32.09%
	TOTAL	3 222 545	100.00%

the total HSDG budget. However, the Rural Housing: Communal Land Rights Programme spent more than its intended allocation at R1,111,519 for 2013/14 and remains the programme delivering housing opportunities at scale according to the KZN Provincial Human Settlements Synopsis Report (KZN DHS, 2014). Output 1: Accelerated delivery of housing opportunities

12.2.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

Based on the discussions with provincial stakeholders in KZN and with reference to internal Outcome 8 reporting documents, it is clear that KZN DHS has been reporting on the delivery of the upgrading of households in informal settlements almost exclusively in relation to the Upgrading of Informal Settlements Programme (UISP, alternatively referred to as ISU in previous years). Internal reporting totals from KZN DHS for serviced sites delivered by the UISP are mostly consistent with the consolidated figures from National DHS for HSDG serviced sites from 2010/11-2013/14, and these are reported to total 22,790 serviced sites during this time, or 33.98% of the total households assisted over the period (DHS, 2014a).

Despite there being evidence that Incremental Residential Development Programme (IRDP), the People's Housing Process and the Emergency Housing Programme are also contributing to Output 1 targets in terms of provincial reporting (KZN DHS, 2014a) and this is being corroborated by provincial respondents, since the serviced sites attributed to these other programmes do not appear to be taken into account in terms of the serviced sites figures attributed to the HSDG in national figures. However, some provincial respondents (Respondents 1 + 2) indicated that they believe the national figures reported for the province to exceed what they believe they've delivered. Specifically, it is unclear how the housing units delivered in the province in relation to the HSDG are allocated to the upgrading of informal settlements.

Contributing funding sources

At the provincial level the vast majority of informal settlement upgrading that has occurred can be attributed to the HSDG as a funding source, which when including the top structures delivered and attributed to the HSDG is credited with a total of 78.22% of the total units delivered over the four year period. Other funding sources such as MIG were not identified as significant contributors to delivery beyond their enabling contributions around bulk infrastructure. Municipal own funding was alluded to in relation to the accreditation process, but

not for capital expenditure around informal settlement upgrading. However, presence of eThekwini Metro Municipality also means that KZN benefits from the USDG which is disbursed to the metro, which itself accounts for nearly 31.7% of the serviced sites attributed in the province in relation to the households assisted through informal settlement upgrades. In eThekwini "Outcome 8 shifts the focus of housing to informal settlements but a number of funding issues have not been fully resolved yet. The Upgrading of Informal Settlement Program (UISP) is the principal housing programme for incremental upgrading. But the Interim Services program undertaken by the Ethekwini Municipality cannot be funded through this program, because it does not adhere to the pre-defined UISP stages. Until flexibility of the UISP stages is achieved the USDG will be the principle source of funding of Interim Services in informal settlements" (eThekwini, 2014: 48).

Despite this contribution from the USDG, it is unclear on what basis exactly the figures are derived. Staff at eThekwini specifically noted issues with national reporting templates, stating that *"National comes up with silly templates which are impossible to follow what they mean, and a classic case is the number of informal settlements upgraded"* (Respondent 8). Despite this challenge to reporting template, the graph below presents total delivery.

Graph 10: Number of households in informal settlements assisted through upgrading by data source from 2010/2011-2013/14
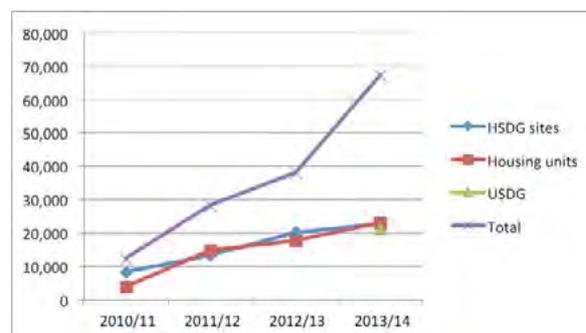
The graph above illustrates the total number of households assisted in relation to the upgrading of informal settlements in KZN as differentiated by HSDG serviced sites, the USDG service sites delivered and housing units delivered relevant to informal settlement upgrading in the province. From the above it is clear that there was a fairly steady pace of serviced site and housing unit delivery in KZN over the past four years, but this pace was not sufficient to reach the target of 76,200. The inclusion of the USDG reporting figures in the final financial year, 2013/14 (taken to represent historical delivery over the period 2010/11-2013/14), gave the overall reporting a boost of 21,320 households, which accounts for the rapid spike in the overall total between 2012/13 and 2013/14.

Summary of achievements and challenges

Based on the above data, it appears that KZN made substantial progress towards hitting its target of 76,200 households in informal settlements upgraded. A total of 67,074 households were reported as delivered at national level, a total of 88.02% of the total target. Although this is considered under-performance based on the target for the period given, it would appear that the province was fairly strict in ensuring that it reported only in relation to the upgrading of households in informal settlements via the UISP programme in terms of service sites. Further, if one understands the USDG attributed figures as occurs historically over the same period of time, this would suggest that eThekwini was able to deliver serviced sites within the metro at roughly the same rate as the provincial department over the same period.

12.2.2 Sub-output: National Upgrading Support Programme

Kwa-Zulu Natal has made some significant progress in terms of its involvement in the National Upgrading Support Programme (NUSP), including a provincial structure and a number of different municipalities at different stages in the upgrading process at settlement level. Part of this progress has been attributed by one respondent to KZN's willingness to embrace the "community engagement" principles that underpin informal settlement upgrading (National Respondent 2).

However, in the case of eThekwini, specialized community facilitation capacity has been identified as one of the areas they need assistance with most, and to which NUSP has not been able to provide assistance (Respondent 11). Another respondent a eThekwini noted that in fact some of the work NUSP benchmarked as best practice was actually work that was already being done at the metro (Respondent 8), suggesting the main benefit would be in bringing financing to undertake the informal settlements assessments.

It is worth noting that at the provincial level KZN has established a provincial NUSP structure and there has been support for the initiative shown to date. The Provincial Department's attempt to facilitate access to municipalities such as KwaDukuza, although with limited benefit, is one such example of this. Furthermore, the involvement with NUSP has extended beyond those municipalities formally engaged as part of the programme.

Summary of achievements and challenges

Within Kwa-Zulu Natal NUSP engagement has occurred and been reported at local municipal level with 5 municipalities to date. The most substantial progress has been in the categorisation of municipalities in Ladysmith (7 Settlements) and Msunduzi (72 settlements)

where assessment reports have been finalised with the municipalities. In New Castle (10 settlements) categorisation was undertaken but the assessment report incomplete at the time of assessment (DHS, 2014b:6-8).

In eThekwini (20 settlements) and Umhlathuzi (7 settlements) procurement processes were initiated and service providers identified to undertake assessments and categorisation (DHS, 2014b:6-8).

The only instance where an attempt at engagement in relation to NUSP has not been well received is in the case of KwaDukuza Municipality. KwaDukuza stands out nationally as one of two municipalities which has not taken up the offer to participate and benefit from the programme (National Respondent 11). Nevertheless, the Provincial Department has sought to assist in facilitating discussions with KwaDukuza Municipality but to seemingly no avail.

12.2.3 **Sub-output: Accreditation**

In KZN the process of accreditation was generally reported to have proceeded well in line with Output 1 targets, according to the accreditation framework, despite some minor setbacks. At KZN DHS efforts have focused on capacity building for the seven municipalities identified for support in accreditation. Not all of the municipalities were initially inclined to participate because of the perception that housing accreditation is an unfunded mandate. Nevertheless, the Province has managed this issue and made allocations of operational funding from the HSDG based on its own determination of municipal performance (Respondent 9).

However, it is noted that operational funding still remains a bone of contention as the following quote explains:

> *"They still feel that operational funding is not enough for them to operate but I think some of them are excited that they're in control of housing, whereas from the Constitution they say it is an unfunded mandate. But the mere fact that they are in control of human settlements activities in the area, that is exciting"* (Respondent 9).

With that said, one of the major setbacks nationwide with regards to accreditation was the delayed assignment of the housing function to the 6 metros that were targeted, of which eThekwini is one. This, compounded with concerns around the operational funding and ability of the metro to invest in growing the capacity requisite to meet the responsibilities of devolution have resulted in a situation that has created much doubt and some resentment, which has been expressed as frustrating to the metro (Respondent 8).

Summary of achievements and challenges

Despite missing the target of devolution of the housing function to eThekwini, KZN stands out for the success

it has had in building the capacity and systems within four local municipalities to support Level 2 accreditation, namely: Newcastle, Emnambithi, Kwa Dukuza, and Umhlathuze Municipalities. Joined with eThekwini Metro, the province has five Level 2 accredited municipalities and two Level 1 municipalities in the form of Hibiscus Coast and Umsunduzi Local Municipalities (DHS, 2014b). This is marked progress that needs to be consolidated further with the finalisation of implementation protocols and the gazetting of funding allocations. Nevertheless, it would appear that the efforts in line with this sub-output have well advanced the principle of subsidiarity as expressed below:

"Initially they were saying it's not our mandate, but the mindset has changed to say yeah, bring on accreditation and let us take care of our own inhabitants" (Respondent 9).

12.2.4 Sub-output: Affordable rental accommodation

Social and Rental Accommodation within the KZN is spread over the following eight municipalities: uMhlatuze; KwaDukuza; eThekwini Metro; Hibiscus Coast; Msunduzi; Emnambithi; Newscastle and Greater Kokstad (KZN DHS, 2012: 28). Across these, eThekwini stands out for the concentration of rental housing, flats and hostels. Distinct from actual delivery, the province is challenged more generally in terms of the mentality

associated with rental housing especially:

"Our main problem is the non-payment of rentals. For some reason it appears to be that there's a mentality that 'it's hostels, it's supposed to be free!' and I would say it is a challenge in a political sense because we don't have that support to encourage people to pay" (Respondent 6).

Although there was initially significant progress in the provision of social housing within the province; challenges within the social housing sector have impeded further progress. The graph below illustrates how after an initial some initial progress in terms of social and rental housing delivery, there has been a tapering off in recent years.

Graph 11: Number of social and rental housing units delivered by accommodation type from 2010/2011-2013/14
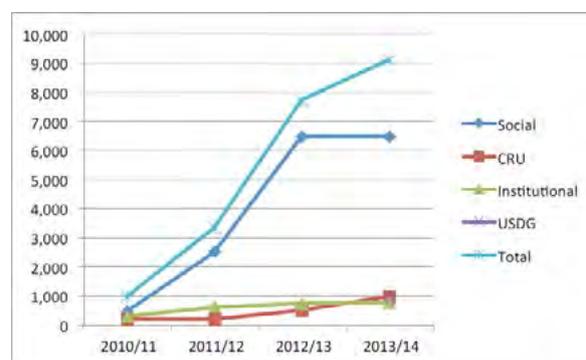
From the above graph it is clear that Social Housing was initially the main driver in terms of delivery of Social & Rental Housing units. After a slow start, the province ramped up delivery in 2011/12 and 2012/13, but it has been stagnant in terms of social housing ever since. This can be explained by three challenges associated with social housing: Costs of development are getting higher and the national department has yet to review the capital restructuring grant; there are few social housing agents provincially; and the requirements around the restructuring zones are limiting potential areas of development (Respondent 7). This compounded by the perceived dysfunction of the Social Housing Regulatory Authority (SHRA), have clearly hampered delivery within the province.

Where there have been relatively moderate increases of late have been with regards to the delivery of Community Residential Units (CRU) housing units, whereby a number of new units were constructed and hostel upgrades have been completed over the last two years to bolster delivery in this regard. Meanwhile, Institutional Housing is something that has been largely stagnant within the province.

Summary of achievements and challenges

In total, KZN has produced 9,103 Social and Rental Housing opportunities over the past four financial years.

This represents 59.73% of the 15,240 target set for the province, representing a significant under-performance, but still above the average 53.66% delivery against target nationally (excluding private rentals). It is also the third most Social & Rental Housing opportunities delivered of any province, following Gauteng and Western Cape, with KZN making up 21.18% of the total number of opportunities delivered nationally (42,971) (DHS, 2014b). Despite these achievements, it is clear that for social housing delivery to achieve its potential some high level interventions are necessary to ensure there are enabling conditions to achieve future targets. Coupled with this, the viability of these opportunities need to be reinforced by a model of financial viability supported and upheld by political leadership so that these are truly seen to be rental accommodation, rather than flats that substitute for RDP houses.

12.3 Conclusion

Kwa-Zulu Natal has benefited in terms of human settlements opportunities delivered in relation to Outcome 8. There has been a clear and growing emphasis on informal settlement upgrading, with the UISP receiving an increasing proportion of the provincial budget and efforts of the NUSP programme are better preparing municipalities to plan for and address the upgrading of informal settlements within their localities. The accred-

itation process has also served to bolster the agency of many of these same municipalities to build capacity and take control of the housing agenda within their areas. And although there have been challenges in terms of Social Housing and Rental Accommodation delivery, the province's Rental Housing Strategic Plan 2012-2017 sets out clear strategies for ensuring greater progress in this area in the future.

13 Limpopo

13.1 Introduction and context

Limpopo is the South African province with the highest level of poverty, with 78.9% of the population living below the national poverty line. In 2011, 74.4% of local dwellings were located in a tribal or traditional area, compared to a national average of 27.1%. The province is a developing area and is also at the forefront of providing services and goods in the mining sector. Mining contributes to over a fifth of the provincial economy, Limpopo have the largest platinum deposit in South Africa with a big gap between poor and rich residence, especially rural areas. Census report of 2011 reported that the population in Limpopo had increased from the figures of the 2001 census from 4 995 462 to 5 404 868.

To meet with the targets set out by national for Outcome 8, Limpopo's contribution was towards building 31 200 housing units. There has been considerable effort made towards accelerating housing delivery in the province. To date the province has completed 20 709 units.

Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) accounts for 30 municipalities in the province, with five districts and 25 local municipalities. The 2011 local government election has resulted in the increment of wards which intends to promote delivery of housing.

The census report of 2011 described that the Limpopo province housing backlog had recorded that the total number of households living in informal settlements or in a shack and not in a backward was 53 287, (Housing Development Agency, 2013: 11).

In terms of delivery of well-located and affordable rental accommodation, the province only accounts for this with community residential units which are only converted or upgraded and not newly constructed.

13.2 Provincial business plan

The budget allocated to Limpopo province for Outcome 8 agenda R50 126 000 for 2013/2014 financial year, the table below illustrates the distribution of the funds according to the four outputs.

Table 1: Limpopo Outcome 8 budget 2013/2014

OUTCOME 8	Q1	Q2	Q3	Q4	TOTAL
Informal Settlement Upgrading	8 260	7 133	0	23 116	38 509
Affordable Rental	0	0	0	6 990	6 990
Housing Finance	81	59	3 539	948	4 627
Aquisition/ Release of Land	0	0	0	0	0
TOTAL OUTCOME 8	8 341	7 192	3 539	31 054	50 126

It is important to note and realise that the budget for the province was fairly thin and National Treasury withheld funding from Limpopo, due to procurement irregularities and poor business plans. It was also mentioned that "although the Limpopo Province's business plan was approved. No funds were transferred to the Limpopo Province as per National Treasury instruction issued on 19th April 2013, however the Province reported spending of R97.9 million and managed to deliver a total of 1 452 units consisting of 85 serviced sites and 1 367 top structures from an annual target of 22 453 units" (Zule, 2013: 15). It can also be observed that Limpopo is part of the National Priority Programme, specifically Lephalale where it has been allocated R291 651 000 for Bulk Infrastructure. Due to its active development of the new Medupi power station next to the existing Matimba power station, and the expansion of mining and tourism activities.

Most of the funding for the province went to servicing rural intervention programmes because the province largely deals with more rural areas needing upgrading. Therefore, the issue of bulk comes in to play as that needs to be accounted for in the multi-year human settlements plan. It is indicated in the 2013/2014 business plan of the province that rural interventions received more money than incremental interventions in the first, second and third quarter of the financial year. Of the other national programmes for housing, the business plan noted that Rural Housing: Communal Land Rights constructed 8500 in 2010/2011, 5212 in 2011/2012, 14 808 in 2012/2013, and 14 654 in 2013/2014 units.

The province only target 3505 number of sites serviced under Integrated Residential Development: Phase 1 Planning and Services for Informal Settlement Upgrading and contributed no other targets for phase 2 or phase 3. For informal settlements upgrading of phase 1 and phase two of number of planned sites (residential) approved, the province targeted 258 sites in 2011/2012, 151 sites in 2012/2013 and 150 sites in 2013/2014.

These figures tell an interesting story about the financial standpoint of the province and its duty to contribute towards meeting outcome 8 targets. It can also be rationalised that some issues stem from challenges of insufficient pipelines of projects, poor planning and capacitated institutions and performance in line with business plans (Interviewee 1).

Within Outcome 8 the IRDP and UISP are the primary focus of the department of only servicing sites.

13.3 Output 1: Accelerated delivery of housing opportunities

13.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

In light of the contributing housing programmes in Limpopo the most USIP is really contributing to output 1 because there are proper planning process in place the enable the province to deliver on building houses.

The planning process is a crucial part of ensuring that the incremental phased approach is executed effectively. Within the IRDP the main area the province finds itself is within the Phase 1 which encompasses planning and services for informal settlement upgrading. The IRDP programmes are seen as very useful for the greater population of the province but as indicated by an official of the province, these programmes may reduce the housing backlog extremely slowly due to the negative perception these have from developers. They also come with issues of mixed funding initiatives which at times results in interfering with timing of planning and delivery (Interviewee 1).

The province views the People's Housing Programme as a very good programme as it gets good community buy-in and involvement but it may take time to be executed efficiently.

However, it is interesting to note that as mentioned in the business plan description; there is good delivery by the province for Rural Housing: Communal Land Rights for sites that are constructed. It was noted that "this programme is where you are able to build houses as quick as you can. In most instances you are building where people are already residing. Here you are giving a house straight away with sanitation and not a lot of things to really do. The best for Limpopo to reduce housing backlog" (Interviewee 1)

Contributing funding sources

Most of the funding received for Limpopo to meet with its housing delivery comes from its HSDG. It was recorded that in 2013/14, the HSDG grant allocation of R16.98 billion nationally, Limpopo's Lephalale received R291.6 million.

Limpopo province's allocation for the 2013/14 financial year was R1.3 billion, which included R35.6 million for disaster relief.

There are issues of bulk infrastructure in the province as stressed by Interviewee 1 that "the targets set are

fine, but when department agreed to these they did not consider issues of the bulk to achieving these targets, bulk systems need to be in order". Due to the fact that Limpopo has no metros they do not qualify to get USDG funding. As explained by an the province there was an application by the department to get USDG for Lephalale being a big mining town. Unfortunately, the department did not receive the pure USDG but rather a top slice of HS Grant not a full USDG. The province feels that they really need USDG. If they are developments in mining towns, there is no way to do without it this funding. All mining towns are affected by the same things. It was noted in the presentation by the DG of Human Settlements that "the performance information for Lephalale Bulk Infrastructure for the month of June 2013 reflected a budget of R112.1 million, while no spending occurred: The conditional grant was withheld" (Zule, 2013: 10).

There province noted that there is MIG funding for the province but there could be better alignment to it with the department as it is administrated by COGTA.

Graph 1: Provision of Housing by source
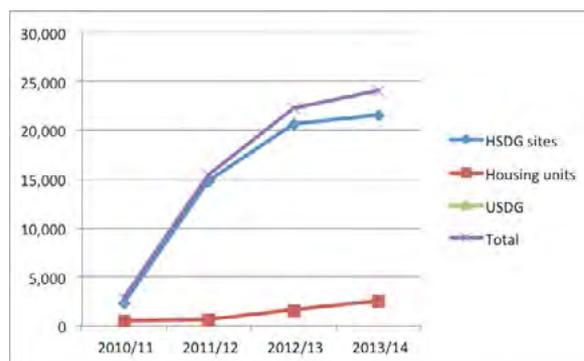
The above graph illustrates the contribution of the respective housing grants to the Limpopo's housing achievements over the period of 2010/2011 to 2013/2014. There is a clear distinction made by the graph that shows the level of contribution made by HSDG in providing housing units. However, there is a very small increase over 2010/2011 to 2013/2014 of these units which could indicate the lack of progress made for housing without HSDG. Although both programmes are increasing there is far greater impact made by HSDG in this case.

Of the housing units, Limpopo statistics highlighted a that the province delivered 497 sites in 2010/2011, 107 sites in 2011/2012, 967 sites in 2012/2013, 802 sites in the first quarter of 2013/2014 and 142 sites in the second quarter of the 2013/2014 financial year. In total

2515 housing sites delivered by 1 January 2014.

Though the province did not meet its target of 31 200 it did manage to deliver 22 790 HSDG sites. There was a large increase between 2010/2011 to 2011/2012 where the province delivered 2334 sites and 12 487 sites respectively. From these stats, there a good platform to further interrogate these findings from national and province to acquire what hindered the province from achieving these targets and why some year's delivery was high and others extremely low.

Summary of achievements and challenges

The province needs to identify what is enabling it from meeting its target to ensure that they are able to meet with their deliverables. Better institutional capacity to execute some of these programmes needs to be in place to ensure that municipalities deliver on outputs.

13.3.2 **Sub-output: National Upgrading Support Programme**

Five National Upgrading Support Programme (NUSP) prioritised municipalities in the Limpopo Province, forms the basis of the report. These areas include Greater Tubatse, Thabazimbi, Modimolle, Polokwane and Elias Motsoaledi. The Limpopo forum has been particularly active in driving the process to assess and categorise informal settlements in municipalities across the prov-

ince. Last year there was an informal settlement upgrading capacity-building workshop in Limpopo on 25 and 26 June. The objectives of the Limpopo workshop were to:

- "introduce the key components of the informal settlement upgrading process,

- outline the various issues and aspects of each step in the upgrading process, and;

- share information on issues and challenges specific to Limpopo and its municipalities" (www.upgradingsupport.org).

The programme is seen to be doing well in the province and is being well received and needed. Doing well – just to support them and give them this necessary support – if munics don't have MM or CEO very difficult to give support can appoint anyone for them, cannot make recommendations.

Summary of achievements and challenges

The main issues that were highlighted were not direct to the NUSP but more to allowing NUSP to work within the municipalities. The main challenges would arise if the municipalities did not have a Municipal Manager (MM) or CEO because it would be difficult to give support from province as they cannot intervene or interfere but merely assist the process. This programme is doing

well in capacitating municipalities with the right skills to adequately gain insight into the various components of the informal-settlement upgrading process, as well as an understanding of the issues that are generally encountered during the processes.

The province also mentioned that NUSP did well but on these two programmes, UISP and IRDP it did a good job in the planning aspect. Planning in terms of the audit, in counting how many informal settlements were in the province and which of this needed assistance and what were the main challenges.

13.3.3 Sub-output: Accreditation

Out of the 27 municipalities nationally that have under gone the accreditation process, only Polokwane in Limpopo has been accredited at level 1 and is working towards attain its level 2. Since Limpopo has no metros there is little information that suggests that this process could possibly work for the province. There are bigger issues that the province needs to address before it devolves roles solely to municipalities.

Summary of achievements and challenges

Municipalities are mishandling Human Settlements System (HSS). The province feels that it is premature to give the municipalities the entire function. There needs to be proper training to capacitate them first to ensure that they are able to meet with their service delivery agreements. The entire process should be reviewed with respect to the needs of each province especially in Limpopo where only Polokwane is the only accredited municipality as human settlements still proves to be a challenge in the greater scheme of development.

13.3.4 **Sub-output: Affordable rental accommodation**

For the delivery well-located and affordable rental accommodation, Limpopo only delivers on Community residential units. Limpopo's target for rental accommodation amounted to 6240. The province has only managed to deliver 197 units, making up 68 units in 2010/2011, 68 units in 2011/2012, 0 units in 2012/2013 and 61 units in 2013/2014.

The Seshego Community Residential Units project is the first of its kind in the entire province at a cost of R40 million and consist of 189 units. It is pictured that most of former Seshego hostel dwellers will be accommodated in this project. The project targets beneficiaries of the income of up to R3500. The rentals are expected to be R400 for a room and R800 for a 2 bed units. The first-phase high-rise buildings of 72 units have been completed, together with the four free-standing units, which are earmarked for people living with disabilities.

Graph 2: Provision of Affordable Rental Accommodation
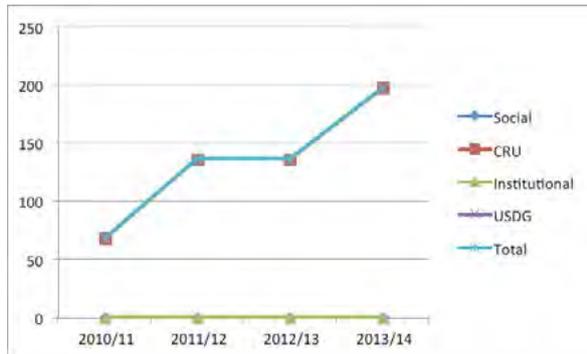
The graph above illustrates the contribution made on rental accommodation and it is evident that Communal Residential Units account for this section, also explained in the example above.

The business plan highlighted that the province delivered 658 units in the 2012/2013 financial year and 700 units in the 2013/2014 financial year. These are only converted or upgraded units, no newly constructed units.

Summary of achievements and challenges

Officials suggested that there needs to be mechanisms in place that can make sure that procurement process are not delayed. Human settlements forum with mayors and key people in service delivery and high level need to develop a steering committee in each district, and with these structures ensure that delivery of targets are met.

13.4 Conclusion

It is clear in the information provided above that HSDG is the primary funding operator that allows for sites to be serviced in the province. The rural housing programme plays an important source of ensuring construction of sites in the province as it is still seen to be one that is difficulties for Limpopo to fully employ all its capabilities. The province's main failure to achieve its outcome 8 targets is largely because of capacitation in municipalities and lack of funding to provide for bulk infrastructure which is needed by the province. The province needs to consider ways of using the NUSP to capacitate members of municipalities who can use the accreditation process to assist with human settlements.

14 Mpumalanga

14.1 Introduction and context

Mpumalanga is considered to be one of the most geographically diverse and provinces in South Africa. Stats SA reported the population figures of Mpumalanga to be 4 128 000 in 2013 accounting for 7, 8% of South Africa's population. The provincial Annual Report (2014, 7) for 2012/2013 reported that "in line with Outcome 8, which amongst others seeks to upgrade informal settlements by building 26 480 housing units, improving access to basic services, providing 5296 for the social rental and gap market within R3501 to R15000 and mobilise well located public land for low income and affordable housing for establishment Integrated Human Settlements" showing the department's efforts towards meeting their target.

To date, the 2011 Census report noted that the total number of households who live in informal settlements or in a shack not in a backward amounted to 105 209, which is 10% of all MP households. This is an improvement from the 2001 recorded figures.

The province is divided into three municipal districts, which are further subdivided into 18 local municipalities.

It should be noted that PDG tried to engage with the province but failed to secure time to talk to the officials. The province did provide some answers to the general outline of questions which provided some information to allow for the report to include the province's input.

14.2 Provincial business plan

The total budget for Outcome 8 in 2013/2014 for Mpumalanga amounted R585 152 569. Of this, the total for informal settlement upgrading amounted to R358 578 316 whilst affordable rental is R155 853 792. 30. It should be noted that the business plan noted that no funding was allocated to the first quarter of the financial year and most of the spending because in the second quarter.

For informal settlements upgrading, the breakdown consisted of Integrated Residential Development: Phase 1 Planning and Services which looks at the number of sites serviced under Integrated Residential Development: Phase 1 Planning and Services for Informal Settlement Upgrading. It was noted that in 2010/2011 0 targets were met, 2011/2012 1119 targets, 2012/2103 1000 and 2013/2014 only 100 sites were done. In terms of the Phase 2: top structure construction for housing units, the province reported that only from 2011/2012 financial year 777 units were constructed, 2012/2013 1333 units and in 2013/2013 2667 units were completed. The Phase 4: Top structure construction for housing

units completed on in 2011/2012 did the province complete 2965 units.

For Informal Settlement Upgrading, Phase 1 & 2 Number of planned sites (residential) approved the province reported only from 2011/2012 that it had completed 3255 units, in 2012/2013 2500 units and 2013/2014 3000 units.

In terms of the other national programmes towards upgrading housing in the province, the province is administrates Rural Housing: Communal Land Rights which looks at the number of units constructed at 551 in 2011/2012, 450 in 2012/2013 and 500 in 2013/2014.

It was noted by the province that the business plan was done according to Outcome 8 targets. However, Mpumalanga Province being rural focused on the comprehensive rural development programme wherein People's housing Process (PHP) was singled out as the main contributor to the CRDP strategy.

14.3 Output 1: Accelerated delivery of housing opportunities

14.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

In terms of the contributing programmes in Mpumalanga, it is clear that there is significant emphasis placed on UISP, IRDP and PHP. These programmes play an important role in contributing to sub-output 1 of Outcome 8. The province UISP contribution looks at the Informal Settlement Upgrading, Phase 1 & 2 and largely contributes to the number of housing units completed. The province summarised their contribution to UISP by noting that 11 623 units were delivered through Informal Settlements programme. With regards to the IRDP the province noted that 2 815 units were delivered through People's Housing Process.

Some of the figures were not presented in the business plan; therefore it is interesting to note that some information may reside within the departmental units that are in involved with the various activities of data collection or collation for these programmes.

Contributing funding sources

The largest funding contributor to these programmes stems from HSDG and there is no USDG that is given to the province.

The National Department of Human Settlements noted that "Mpumalanga province's business plan was approved on 26 June 2013 and funds were transferred at the beginning of July 2013, but the actual expenditure was R77.8 million. The Mpumalanga province delivered a total of 1 583 top units consisting of no serviced sites and 1 583 top structures from an annual target set at 15 287 units" (www.pmg.org.za). The province noted that 10 830 sites were serviced through the HSDG. For the 2013/2014 financial year, the province received R 966 412 000 for normal project allocations and R157 323 for Outcome 8. The department did not highlight whether other funding sources contributed to programmes, however it can be noted that "a total amount of R1.9 billion has been set aside by municipalities through grant sources like the Municipal Infrastructure Grant (MIG), Municipal Water Infrastructure Grant (MWIG), and Regional Bulk Infrastructure Grant (RBIG) to address the shortage of water supply and sanitation throughout the province" (www.gov.za).

The graph below illustrates the performance of the province with regards to provision of housing by source.

Graph 1: Provision of Housing by source
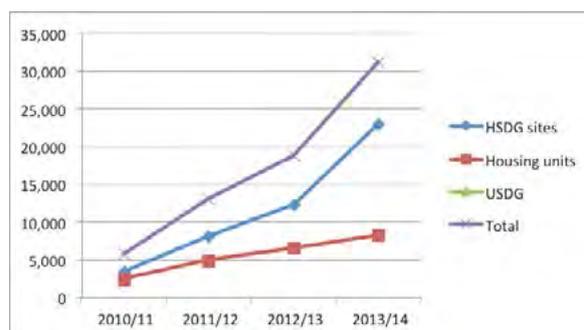
There has been a gradual increase of HSDG sites and housing sites between 2010/2011 to 2012/2013. There is a sharper rise in HSDG sites between 2012/2013 and 20113/2014 this could be attributed to the increase in funding allocation to construct or service these infrastructure.

Summary of achievements and challenges

Although the province did not meet its target in terms of outcome 8 delivery, they managed to at least reach 68% of their target. It was noted by the department that some of the issues of slow delivery were because of issues of bulk infrastructure delays and unavailability of land. These issues should be taken up with national so as to introduce mechanisms or programmes that can help solve some of the complexities that can foster progress in housing delivery.

14.3.2 Sub-output: National Upgrading Support Programme

It was reported by the National Upgrading Support Programme that there are five municipalities in Mpumalanga that are involved in the NUSP programme. These are Emalahleni, Govan Mbeki, Lekoa, Steve Tshwete and Thembisile. The province did not provide any further information that contributes to how the NUSP is working and how it has been taken up in the province.

14.3.3 Sub-output: Accreditation

There are three municipalities that are meant to be accredited in the Mpumalanga province, Govan Mbeki, Steve Tshwete and Emalahleni. It was noted that only one municipality which is Steve Tshwete, a local municipality has been accredited with a level 2 in the province. It has been stated in the POA (2013: 22) summary that "Bi-monthly meetings are held with each Municipality to discuss challenges and progress made with the accreditation processes and capacity gaps and support requirements". At the moment other municipalities are working towards being accredited.

14.3.4 Sub-output: Affordable rental accommodation

Of the 5,296 provincial target for delivery of affordable rental accommodation, Mpumalanga completed 27 institutional units in 2011/2012. For CRU units converted/upgraded the province recorded 244 units in 2010/2011, 120 units in 2011/2012, 224 in 2012/2013 and 206 in 2013/2014. The province does not have any constructed CRUs and attributes all their units to units mentioned above.

The graph below illustrates where the province is creating opportunities for affordable rental accommodation. CRUs take up most of the contribution and social housing has remained constant since 2011/2012 financial year. The In-situ has increased due to the units that have been completed over time. These do not make up a large proportion of the various forms of rental accommodation but they add to the general output of the province standpoint with rentals.

Graph 2: Provision of Affordable Rental Accommodation
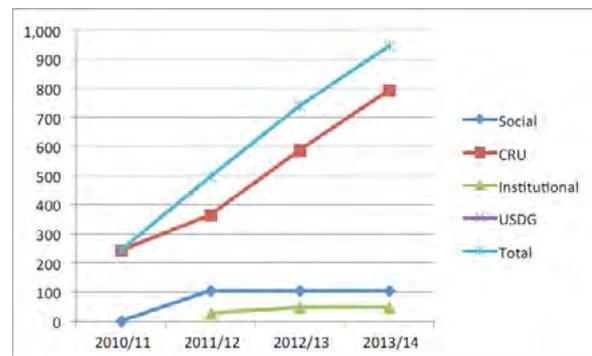
Summary of achievements and challenges

The provincial target for MP rental accommodation was set out at 5,296. It is unfortunate that the province could only deliver 739 units.

Some of the information could have been better articulated through engagements with the relevant officials of the department.

14.4 **Conclusion**

The province voiced concerns on it's the issues that have hindered meeting targets for outcome 8 due to the unavailability of well-located suitable land and issues of insufficient and/or unavailability of bulk infrastructure. The province has to identify mechanisms that can work in its favour to ensure that more delivery can be met towards its targets. There is clear evidence that programmes in place have a crucial role to play amongst the communities that require housing.

15 Northern Cape

15.1 Introduction and context

The Northern Cape is South Africa's largest province by land area and smallest by population with only 1,145,851 people or 2.2% of the national total. The province has experienced a 1.44% growth per year since 2001. The province has five district municipalities. The population has grown by 18% in the Frances Baard District Municipality, other district populations mostly grew between 5 and 15%, while some, particularly the John Taolo Gaetswe District have shrunk (CoGHSTA, 2013).

33% of the population resides in the Frances Baard District, which includes the city of Kimberley, the largest city in the Northern Cape.

There are 301,405 households in the province, 82% of these are formal dwellings. The 2011 Census estimated a housing backlog of 53 097 in the province, up from 51 570 in 2007. This is despite the provincial Department of Human Settlements building 18 203 housing units in that period. The local municipality with the largest backlog, is the Sol Plaatjie Municipality, with a need of 11 083, followed by Joe Morolong with 6 520, //Khara Hais with 5 764 and Ga-Segonyana with 5 083. No other local municipality in the province has a backlog of greater than 3 000 (CoGHSTA, 2013).

The Province's overall upgrade target for the period from 2010 to 2014 was 9 320 households, the target for social and rental housing for the periods was 1 864.

15.2 Provincial business plan

In terms of the provincial Human Settlements Business Plan for 2013/14 Budget Summary the budget allocation for the Northern Cape for Outcome 8 for the 2013/14 financial year was R218,564,198. Of this R180,541,198, was allocated to the Informal Settlements Upgrading Programme, R27,978,000 was allocated to the Affordable Rental Programme, R10,045,000 was allocated to housing finance.

The provincial business plan as provided to the project team contains some errors in the figures relating to targets for the period, particularly for the period 2010/11. However, for the 2011/12 to 2013/14 financial year. In terms of IRDP Phase One: Planning and Services, the province targeted 1237 sites in the 2011/12 period, with none for the 2012/12 and 2013/14 financial years. In terms of IRDP Phase Two: Top structure construction, the province had no targets for the first two years of the period. The 2012/13 period had a target of 100 units, and 191 for the 2013/14 period. For IRDP Phase Four: Top structure construction for informal settlements the province had a target of 886 in 2011/12, 100 in 2012/13 and 0 in 2013/14.

In terms of informal settlement upgrading the province planned to upgrade 400 sites in 2011/12, 500 in 2012/2013 and 500 in 2013/14, for completed housing unit the province targeted 535 in 2011/12, 100 in 2012/13 and 40 in 2013/14.

In terms of social housing, the business plan provided has no figures, but in terms of Community Residential Units the plan targeted 50 upgraded units in 2011/12 and constructed units of 266 in 2011/12, 100 in 2012/13 and 100 in 2013/14.

In terms of programmes not relating to Outcome 8 the Business Plan targets 350 repairs to RDP stock over the 2010-2014 period and to construct 920 units under the Rural and Communal Land Rights programme in 2011-2014 period.

What these figures suggest is that there has been some emphasis of the Northern Cape Department of Human Settlements in the period on achieving Outcome 8 objectives, as such a large majority of its funding has been geared in this direction. However, this mostly likely partly a result of the alignment of existing programmes to Outcome 8: Output 1. Within Outcome 8 the IRDP and UISP are the primary focusses of the department with attention to both servicing sites, as well as providing completed housing units.

15.3 Output 1: Accelerated delivery of housing opportunities

15.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

The UISP and IRDP were identified as the most significant contributing programmes. Many of the projects in the Northern Cape were identified as having been in the provinces pipeline of projects prior to the introduction of the UISP and IRDP programs. This meant that projects had been retroactively allocated to the programme. Some officials felt that the distinction between the UISP and the IRDP was not well understood within the department meaning that some projects were not necessarily understood as part of the correct programme.

Contributing funding sources

Funding in the Northern Cape comes almost exclusively from the HSDG. This is born out in both information gathered from the case study interview and in the business plan. There are no metros in the province, meaning that the USDG grant is not applicable. The usefulness of MIG funding is reported as limited by officials in the provincial department of human settlements as limited,

as its use is prioritised by municipalities rather than the province. In the provincial department's view MIG funding could be better aligned with the human settlements' departments objectives.

The RHIP is utilised in the province in two municipalities in the province. Municipal own funding is not used extensively.

Summary of achievements and challenges

Figure 1: Provision of Housing by source
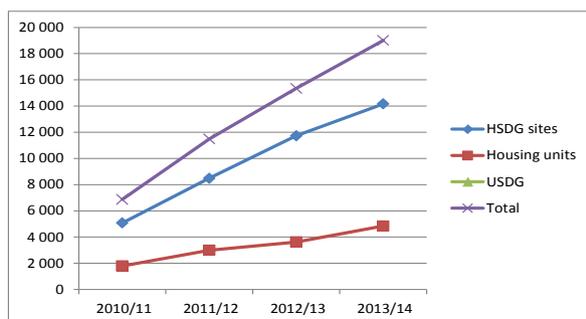
The graph in figure 1 shows the contribution of the respective types of provision to the Northern Cape's housing achievements over the period. It is clear from the graph, that the HSDG serviced sites is the major contributor to the development of human settlements sites. Housing units provided is the other significant contributor. The graph shows that both programmes contributed consistently over the period. The graph also

shows that the province has been able service more sites each year than it has been able to provide units. This is the reason the line indicating the HSDG site is steeper than the line indicating the Housing units.

The province was successful in meeting its targets of 9 320 housing upgrades according to its own reporting as collated by the National Department of Human Settlements. It achieved 14 163 upgrades through the end of the 2013/14 financial year. Housing units contributed an additional 4 845 units meaning that the province achieved a total of 19 008 upgrades, 203% of the province's target. The officials interviewed felt that success was largely due to the target being relatively unambitious. There were concerns that not enough consideration had been given in the setting of the targets at the national level. Officials felt that the department had the capacity to achieve greater targets, but would in time need additionally budgetary support, partly due to the increasing cost of inputs and the increasing quality of houses being delivered.

15.3.2 **Sub-output: National Upgrading Support Programme**

Summary of achievements and challenges

The province has identified 6 municipalities to be the focus of the NUSP programme. Additionally, it holds 4 planning meetings each year with the 6 municipalities to

plan support through the NUSP. In response to NUSP the province has developed a draft provincial strategy on informal settlements.

Interviewees identified that the NUSP programme was allowing the province to plan in a more coordinated way and with better data.

The challenges with NUSP related to the resources available to the province. The province was largely constrained by budgets, but also by the availability of technical expertise, this was particularly the case soon after the programme was introduced. The province struggled to attract the requisite expertise and to hold on to those expertise.

The province was supported in the achievement of its NUSP targets buy the Housing Development Agency (HDA) which assisted in the development of Informal Settlement Development Plans. This was necessary as, in the words of one official, "Northern Cape is quite small in terms of service providers with necessary expertise to develop these plans".

15.3.3 Sub-output: Accreditation

Summary of achievements and challenges

The province initially experimented with accrediting district municipalities, as local municipalities are generally small in the province and there are no Metros. Only two of the districts are viewed as having been successfully accredited by the official interviewed, Frances Baard District Municipality at level 2 and John Taolo Gaetsewe at level 1. The attempt to accredit districts is viewed as otherwise unsuccessful. The reasons that accreditation was viewed as not working in the was the fact that districts do not have their own funding streams largely and are reliant on transfers from the province for operational funding. However the province is short on funding for this purpose.

Two local municipalities have subsequently been accredited to the level 2 status, these are //Khara Hais in the Siyanda District Municipality and Sol Plaatjie in the Frances Baard District, which include the provinces largest city of Kimberley. Level one accreditation has been given to Emthanjeni Local Municipality. In a pilot project on accreditation of district municipalities, Pixley Ka Seme and Siyanda District Municipalities were also granted Level 2 accreditation. Other local municipalities are regarded as too small for accreditation. Commenting on the experience of accreditation one official noted, "The small municipalities can't manage their finance. The district model doesn't work. Need to look at the bigger municipalities".

15.3.4 **Sub-output: Affordable rental accommodation**

Summary of achievements and challenges

Figure 2: Provision of Affordable Rental Accomodation
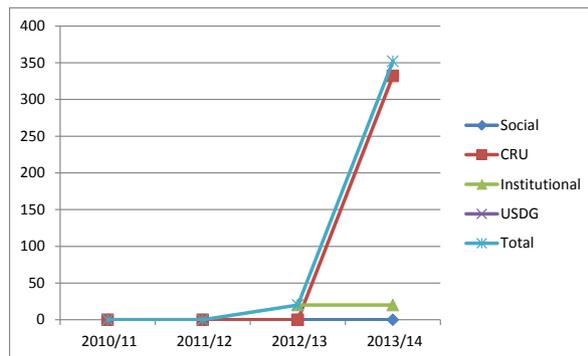
The graph in figure x shows the achievements for the Northern Cape in terms of the provision of affordable rental accommodation. The province has struggled with delivery of rental accommodation, with only institutional housing and Consolidate Rental Units (CRU) contributing. CRU has been the major contributor to rental housing provision in the Northern Cape contributing 332 units. In total only 352 unit have been provided in terms of Social and Rental Housing in the province during the period. However, delivery of these units has been isolated to particular years. The 20 units of institutional housing were all provided in 2012/13, with no delivery in the other years, while all of the CRUs were provided in 2013/14 and no in other years, which raises question about the existence of a consistent pipeline of rental projects, with implementation occurring late in the period.

The province's overall target for Social and Rental Housing was 1864 for units for the period. According to officials interviewed this is the only sub-output in which the province has failed to meet its targets, but the feeling is that the target was unrealistic, "By way of example look at the rental target, as a sector we were not realistic in a way when we devised those targets and how to meet them". One of the reasons identified as contributing to this failure was the province's inability to compete with larger provinces for Social Housing Regulatory Authority projects. The province has no restructuring zones, and therefore does not receive allocations.

According to one official it had previously been tried, by a former chief director to turn a pipelined housing project into a rental project, but that this had failed. Further, interviewees note that there are relatively few people in the province who qualify for rental programme making these type of projects difficult to implement successfully. Nevertheless, the province continues to incorporate rental objectives into its pipelined projects, including a rental aspect to it major project, Lerato Park. In the

words of an official, "Northern Cape is struggling with rental at the moment, very few people qualify. Try and implement a rental project in Lerato Park. But it's not easy".

15.4 Conclusion

Overall the province has done well in terms of achieving its contribution to the national Outcome 8: Output 1 targets according to it's own reporting. The province's only failure to achieve its targets were in the provision of affordable rental accommodation, which has proved difficult to achieve. Officials credit the provinces successes to relatively unambitious targets, set by national government and is concerned about the process by which these targets were set.

The province is well placed to improve its performance in up the provision of accelerated housing opportunities. This is particularly true in terms of upgrading informal settlements, should it be given adequate funding.

16 North West

16.1 Introduction and context

The North West province has the land area of 104,882 Sq. Kms, making up 8.7% of South Africa's total land area. Census 2011 indicated a population of 3,509,953 people in the province, with urban concentrations around Rustenburg and Mahikeng but with the rest of the province being largely rural in character, including large swathes of communal land overseen by traditional authorities. Of the 1,062,015 households in the province, 76.2% reside in formal dwellings, while 21.2% stay in informal dwellings, and 1.7% in traditional dwellings, representing a housing backlog of 225,071 as of Census 2011 (StatsSA, 2012b: 63).

At the time of the outset of the National Outcomes Approach, North West province was allocated the target of 28,840 households in informal settlements upgraded to be upgraded and 5,768 social and rental housing opportunities to be built.

16.2 Provincial business plan

The following table provides a summary of the total budget of the North West Department of Human Settlements Provincial Business Plan 2013/14. Although this is just an example of one year, it is an example of the budget in the last year of the first term of the National Outcomes Approach. See the table below.

Table 12: North West DHS Provincial Business Plan 2013/14 (NW DHS, 2013a)

Programme	Sub-Programme	Total Annual Budget R	%
1. Financial Intervention	Consolidated financial sub-programmes	182 997 820	14.94
2. Incremental Housing Programmes	2.1 Project Linked Subsidies	156 481 633	12.78
	2.2 IRDP Phase 1-2	129 350 733	10.56
	2.3 People's Housing process	16 963 919	1.39
	2.4 Informal Settlement Upgrading	264 960 384	21.64
	2.5 Consolidation Subsidies (Excluding Blocked Projects)	3 585 734	0.29
	2.6 Emergency Housing Assistance	46 252 817	3.78
3. Social & Rental Housing	3.1 Institutional Subsidies	1 869 695	0.15
	3.2 Social Housing: Capital Grants for rental housing	54 468 000	4.45
	3.3 CRU Converted/Upgraded	88 664 632	7.24
4. Rural Housing	4.1 Farm Worker Housing Assistance	10 757 185	0.88
	4.2 Rural Housing: Communal land rights	268 184 449	21.90
	TOTAL	**1 224 537 000**	**100.00**

Table 12 shows that the Rural Housing: Communal Land Rights sub-programme was the biggest budgeted sub-programme, only narrowly beating that of Informal Settlement Upgrading (ISU). The near comparable funding levels also reflects in the planned number of units to be delivered in 2013/14 in relation to Outcome 8 by each respective programme, with Rural Housing: Communal Land Rights targeted to assist 4,278 households with top structures and 1,284 serviced sites (NW DHS, 2013b: 2). Meanwhile, the ISU was expected to deliver 3,411 and 3,780 serviced sites respectively during the same period of time. Other programmes such as IRDP were budget with a significantly smaller portion of the budget, and only had planned deliver to the extent of 800 top structures, with no serviced sites during the same period.

16.3 Output 1: Accelerated delivery of housing opportunities

16.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

In North West the Provincial Department of Human Set-tlements has taken a broad interpretation of the informal settlements upgrading target under Outcome 8 and from the outset has believed that multiple programmes contribute to informal settlement upgrading, ranging from project linked subsidies, Emergency Housing, IRDP, as well as top structures delivered through the Rural Housing and Communal Rights as well as the ISU programmes respectively (Respondents 1+2).

Despite this belief, the provincial department has limited its own definition of informal settlement upgrading, while providing an encompassing breakdown of all related human settlements delivery to the national department so that the figures captured nationally are at the discretion of national public servants in deciding what constitutes informal settlement upgrading. The following quotes reflect this:

> *"We are very rural province. The debate is there as to the classficiation of structures and in the rural areas we have informal structures, but they're not necessarily informal settlements. If we had to have the conversion of informal dwellings in rural areas to proper structures, then the targets would become quite skewed. It depends on how you define them and we [North West] have restricted our definition to the urban areas"* (Respondent 1).

"The way we got around that is when we provide that information to National, we provide a full breakdown of data and let them decide" (Respondent 1).

Respondents of the provincial department remained adamant that they avoid double-counting in relation to site servicing for specific programmes, although it would appear that they feel a pressure from national to expand or revisit their own definitions. The following explains.

"For us as North West province, there are various things we might do but we don't count each item in terms of a service. It is considered serviced once all thing have been done. For instance, the provision of a Jojo tank or borehole, and there are 3-4 things until a service has been completed. When we present that information at times to National, there are varying opinions in terms of what we should be counting" (Respondent 2).

The sense in the North West is that a range of different housing sub-programmes are considered contributors to reach the Outcome 8, Output 1 target. Although the ISU represents a significant portion of the planned contributions, there are also clear contributions from Rural Housing: Communal Land Rights, as well as structures erected under Emergency Housing, PHP and the IRDP, although these tend to be in the form of top structures delivered rather than serviced sites.

Contributing funding sources

In North West, like many other provinces, the HSDG is the main source of funding being used to deliver informal settlement upgrading. The absence of any designated metros within the province means the USDG is not a contributing funding source. However, there was some evidence of additional funding sources contributing.

For instance, in more urban municipalities such as Rustenburg own-funding has contributed to site-servicing but this is rare (Respondent 1). Similarly, in municipalities where the District is a Water Service Authority there have been instances where water & sanitation servicing has occurred. Despite this complementarity of funding sources it was acknowledged that "the coordination between MIG allocation and the housing programmes is not at the level we would want" (Respondent 2). However, the combination of the MIG and HSDG administration in the same department (merging local government human settlements) bodes well for a marriage between the two in the new term (Respondent 2).

Graph 12: Number of households in informal settlements assisted through upgrading by reporting source from 2010/2011-2013/14 in North West
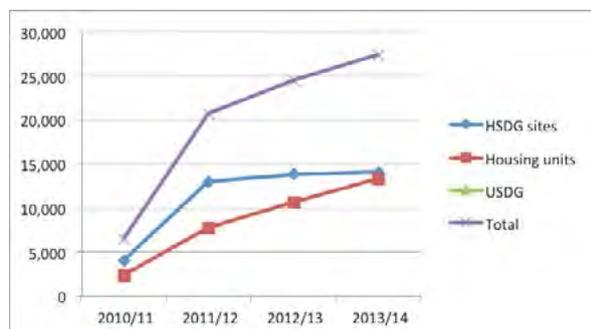
The above graph shows the initial ramping up of delivery in terms of serviced sites, and to a lesser extent top structures. While top structures remained a more consistent source of delivery over the term, roughly equaling that of serviced sites, serviced sites tapered off very quickly after the first two years. This could be a reflection of broader bulk and connector infrastructure issues, as noted in the challenges of coordination between MIG and the housing programmes identified.

Summary of achievements and challenges

In total, the North West Department of Human Settlements was reported to have assisted 27,439 households through informal settlement upgrading between 2010/11 and 2013/14. This represents 95.14% of the total target of 28,840 and would make the North West one of the better performing provinces in this regard, although still short of the envisioned total. Challenges in the North West have been linked to insufficient bulk and connector infrastructure integration as well as the location of some informal settlements on private land, thereby preventing public investment in the kind of necessary infrastructure provision to allow for the informal settlement upgrading (Respondents 1+2).

16.3.2 **Sub-output: National Upgrading Support Programme**

Thus far the North West has had relatively strong engagement with the NUSP programme. Existing initiatives within the province, such as the establishment of the North West Informal Settlement Atlas, which provided aerial photographic mapping of informal settlements and was distributed to each of the municipalities within the province, had already encouraged planning interventions around the upgrading of informal settlements within the province (Respondent 1).

Despite the existing initiatives and efforts by the provincial department, there has been the experience that some municipalities are reluctant to acknowledge where they need assistance and to approach the provincial department to this end (Respondent 2).

Summary of achievements and challenges

The provincial department has established a NUSP structure, which is located under the Directorate: Municipal Support in the now merged Department of Local Government and Human Settlements. There, staff responsible for M&E and the HSS have been engaged in meetings to ensure coordination and alignment between initiatives and reporting (Respondent 1).

At this stage, thirteen municipalities have been engaged through NUSP with the following stand out achievements:

- Rustenburg has assessed, categorised and budgeted for 10 informal settlements;

- Madibeng initiated the appointment of a service provider concluded just after the Outcome 8 term;

- Tlokwe, Kgetelengrivier and Maquassi Hills have developed ToRs as part of a single contract; and

- The SLA was signed for 8 more municipalities with an inception meeting held in January 2014 (DHS, 2014b).

Despite these successes, it would appear much of the progress occurred within the last year of the term and therefore much of the support is still in the planning stage. This does however bode well for the term ahead.

16.3.3 Sub-output: Accreditation

The North West Provincial Department of Human Settlemetns has an intensive role to play in terms of training and capacity building within the province and this has been the focus of its engagement around accreditation to date. The provincial task team for accreditation has been active, applying the accreditation framework to work through a checklist of conditions that must be met to receive Levels 1 or 2 accreditation (Respondent 1).

In the case of Rustenburg, the municipality ended the term actively training municipal staff on HSS as part of the devolution of responsibilities to local government. Despite the training, capacitation of the human settlements function and stronger alignment and coordination in terms of planning and budgeting were priorities (DHS, 2014b).

Summary of achievements and challenges

At the end of the first term of the National Outcomes Approach the North West had only two municipalities benefitting from accreditation. The first was Tlokwe Municipality, which was accredited to Level 1. The second being Rustenburg Municipality which was accredited to Level 2 and was under-going capacity building at the close of the term.

16.3.4 Sub-output: Affordable rental accommodation

The provision of social and rental accommodation in the North West has been an area of under-performance over the first term of the National Outcomes Approach. The following graph presents a picture of rather inconsistent and lop-sided performance.

Graph 13: Number of social and rental housing units delivered by accommodation type from 2010/2011-2013/14 in North West
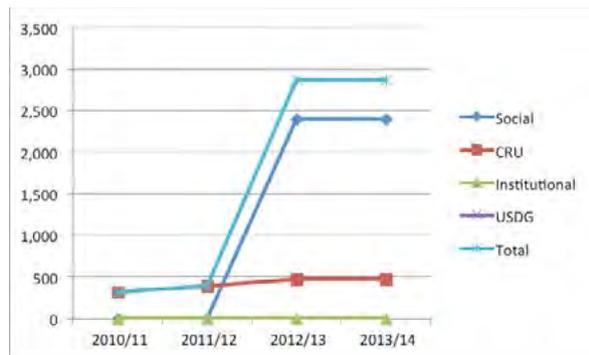
From the above it is clear that initial upgrading and reconstruction of CRU occurred to a lesser extent over the first two years of the term. Thereafter significant delivery of social housing in one year, name 2012/13, accounts for the vast majority of delivery over the previous term. Of concern is the fact that the last year of the term saw no delivery of new social or CRU accommodation units at all. Further, institutional housing units were not a contributor in any respects within the province and the lack of any metros meant that the USDG was not a funding source in this case.

Summary of achievements and challenges

The North West province only delivered 2,868 social and rental accommodation units over the previous term, representing 49.72% of the total target of 5,768. This is quite serious under-performance, although it is roughly in line with the national delivery rate of 47.1% in this regard. Nevertheless, this underperformance would seem to be attributed to a lack of primary bulk services available, and where they are available a failure to maintain and upkeep these services. Further, criticisms of the formula for MIG allocation by a respondent were said to be a further challenge because bulk funding was not always available in relation to where the need was greatest in this regard (Respondent 2).

16.4 Conclusion

Overall, the North West province under-performed in terms of delivery of informal settlement upgrading and the provision of social and rental accommodation units. Serious challenges in delivery would appear to relate to the difficulty of co-ordinating the delivery of bulk and connector infrastructure in relation to the housing pro-

jects that are available. In the meantime, engagement at the local government has occurred to an extent, although there is much progress that needs to be made in order for technical assistance through NUSP and accreditation capacity building to enable the kind of envisioned consistency of delivery in line with the Outcome 8 targets.

17 Western Cape

17.1 Introduction and context

The Western Cape has a large land surface area of 129 464 km² and an estimated population of 5 822 734 people. According to census data informal dwellings in the Western Cape have decreased from 16.2% to 13.6% in 1996. The province has five district municipalities and one metro municipality. The province has a growing share of South Africa's population, contributed to a large extent by migration into the province.[8]

The Western Cape Department of Human Settlements 2010 backlog study estimated the provinces backlog at approximately 426 710, with roughly 61% of that situated in Cape Town. The City of Cape Town reports that an estimated 400 000 of the 904 000 households are inadequately housed.

The Western Cape Department of Human Settlements' strategic plan is primarily guided by the Western Cape's Provincial Strategic Objective 6: Developing integrated & sustainable human settlements. The Department has set itself 6 Strategic Outcome Oriented Goals, the first of which is: Accelerate the provision of housing opportunities including the prioritisation of serviced sites. This aligns with the national Outcome 8: Output 1.

[8] *Western Cape Department of Human Settlements (2013) Annual Performance Plan 2014/15 pp 5-7*

17.2 Provincial business plan

Looking at the 2013/14 business plan, the province allocated R440,494,000 to programmes contributing in part to Outcome 8. Of this a significant majority of R394,284,000 was allocated to informal settlement upgrading programmes. The next most significant allocation was to housing finance, which received R40,414,000 while affordable rental was R2,446,000 and acquisition/release of land R3,350,000. In terms of allocation to programmes, a total R1,925,971,000 is allocated from the HSDG. Of the total allocation to housing programmes, the vast majority was allocated to incremental interventions with an allocation of R1,264,919,000.

In terms of housing targets, the business plan identifies the following targets for incremental housing programs:

For the Integrated Residential Development Programme (IRDP) province had a target of 2196 sites for phase 1: Planning and services none of this was allocated as for informal settlements in terms of the business plan. For IRDP phase 2: top structure construction the business plan targeted 5916 houses, again none of which was targeted for informal settlements. For phase 4: 1584 houses were targeted for informal settlements.

For the People's Housing Process 40 sites were tar-

geted and 3109 houses were targeted. None on these were targeted for informal settlements. In terms of informal settlements upgrading the province had a target of 4406 sites and 30 houses were targeted for consolidation subsidies.

For social and rental housing the province had a target of 300 houses for institutional subsidies and to construct 154 community residential units (CRUs).

The province also targeted 850 repairs of RDP 1994-2002 stock.

What these targets in the business plan suggest, that for a given year in the period under review, was the priority programmes for the province were the construction of top structures, in terms of IRDP, Informal Settlement Upgrading and top structure construction in informal settlements in terms of the IRDP. The business plan also suggests that earlier in the period, from 2010 to 2012, IRDP provision of planning and services was also a high priority.

In terms of rental priorities, CRU had been a priority early in the period with a target of 3084 converted units for 2010/11 but none for 2013/14. Focus in rental shifter to the construction of units later in the period.

17.3 Output 1: Accelerated delivery of housing opportunities

17.3.1 Sub-output: *Upgrade households in well located informal settlements with access to basic services and secure tenure*

Contributing programmes

The Western Cape's target for sites serviced between 2010 and 2014 was 45,360. Up to the end of the 2013/14 financial year it had achieved a total of 27,749 site upgrades through the HSDG grant, 14,403 upgrades through USDG delivery and provided 18,975 housing units. This totalled an achievement of 61,127 upgrades in the period, 134.8% of its target, according to the province's own data collated by the National Department of Human Settlements.

UISP

According to interviews with provincial official UISP contributes to about 45% of the output 1 targets. However, with the introduction of the USDG grant the province notes that it has been increasingly difficult to monitor. This is because the City of Cape Town contains the majority of the households in the province and informal

settlements requiring upgrading, and its upgrades are included in the provinces targets. However reporting on the USDG by the city is done directly to national government, and not according to the same indicators that the province measures, meaning that the province struggles to understand what the city's contribution to the target actually is.

IRDP

A provincial official reported that the IRDP was a consistent contributor to the Outcome 8: Output one targets, and that it has largely stayed constant in its contribution over the years. This is corroborated to some extent by then department's 2012/13 Annual Report, which reports that in terms of sites servied the province delivered 4,539 in 2011/12 and 3,668 in 2012/13. In terms of housing units completed the Annual Report records 3,359 for the 2011/12 financial year and 6,868 for the 2012/13 financial year. In term of sited serviced this was above the annual target, but in terms of units delivered, it was a significant shortfall in the 2012/13 financial year.

People's Housing Process

According to officials interviewed the PHP contributes roughly 30% to the provincial Outcome 8 targets. It is viewed as a successful programme within the provinces and has become one of the provincial strategic objectives. In the interviewed official's view these houses are traded less often than others, which they attribute to the contribution made by those who take over the home and the greater differentiation between the houses.

Emergencies Housing Programme

The province uses the emergency housing programme primarily to provide temporary relocation as part of the PHP, temporarily relocating settlements while PHP houses are built. The intention is that these are short term units, but they tend to end up lasting longer and being rolled over. A feature of temporary relocations noted by an official interviewed was that in order to convince communities to move to Temporary Relocation Areas, it's often necessary to ensure they have electricity, which can create a challenge for the province in negotiating these.

Contributing funding sources

In the view of the officials interviewed the HSDG is the most important source of funding, to the province. In the words of one official "to province the HSDG keeps you going. It is very important; the outputs are limited by the size of the HSDG grant." Cost per household is increasing and this will likely decrease outputs, unless the grant is increase. Provincial officials feel that they need more from the fiscus.

The City of Cape Town in the province receives the

USDG, and this should contribute to the provinces Outcome 8: Output 1 targets but this is hard to measure as the City reportedly reports on USDG delivery to the National Department of Human Settlements rather than the Western Cape Department. An official interviewed argued, "Very little way to tell city you will spend 40% on upgrading informal settlements, etc. From this point of view it is a failure. It should have been dictated, what it should be used for. No focus like the MIG, it's too open ended. The funding has lost its focus on informal settlement upgrading. Delivery on servicing sights has dropped since USDG." This has contributed to an already difficult relationship between the province and the city which hampers coordination.

The RHIP is used relatively little in the province, but it has been used to unlock some projects. MIG is used, but its limited timelines are constraining. Municipal own funding plays a small role, but could play a larger, more important role. All of these could be used more effectively as water licenses and electricity connections are viewed as limiting factors to progress. Projects are on occasion completed only to discover that there is no funding left for electricity connections.

Summary of achievements
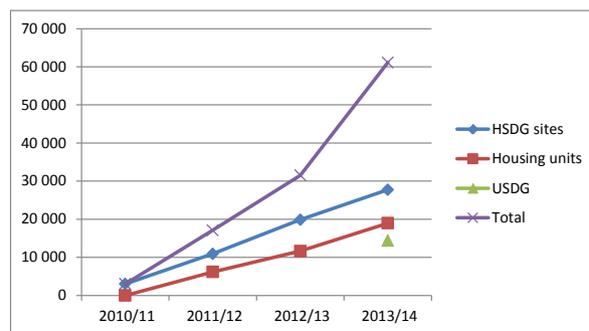
Figure 1: Human Settlements Upgrade trends in the Western Cape

Figure 1 shows the number of sites upgraded in the province, and the type of sites they were over the period 2010-2014. The graph shows steady increase in the number of HSDG sites and Housing units across the period, with the province consistently delivering a similar number year on year in each programme. The addition of the USDG sites in 2013/2014 created a sizeable increase in province's housing outputs, and allowed the province to reach its target for the period. However, in the department's 2011/12 Annual Report, it notes that the introduction of the USDG has hampered the department's ability to accurately set targets.

17.3.2 Sub-output: National Upgrading Support Programme

The department largely considers NUSP a national level programme, which take a high level view. It sees its role as implementation and working to achieve the target. The province has a NUSP implementation forum, which invites speakers and holds discussions on topics including community-led approaches to upgrading, the impact of environmental regulations on upgrading projects and the use of basic services as a starting point for a broader upgrading process (DHS, 2012).

Summary of achievements and challenges

According to the National Department of Human Settlements' fourth quarter 2013/14 POA template, the City of Cape Town development frameworks have been produced for 23 settlements and the department is awaiting final approval municipality, In Drakenstein a rapid assessment and categorisation of 32 settlements has been completed and approved by the municipality and an Upgrading Strategy and Programme is being developed. In 12 settlements in George and 10 in Mossel Bay as of November 2013 community surveys were underway. Tenders were also planned for Stellenbosch and Theewaterskloof.

The challenges relating to the National Upgrading Support Programme, according to interview respondents, are twofold. Firstly, the emphasis on in-situ upgrades creates the challenge of moving people out of settlement in order to upgrade the settlements. This creates community unhappiness, and it is often most difficult in well located settlements. People don't want to move because the settlements are well located, even if they are on unsuitable sites such as landfill. The province cannot match the densities that exist in the informal settlements in its upgrades, meaning some residents are unable to move back once they have moved away from a site. This makes them unwilling to move initially. This leads to projects being delayed and sites being shutdown.

Secondly there is the challenge of dealing with changing community leaders, making it difficult to get communities to agree to temporary relocation.

17.3.3 Sub-output: Accreditation

Summary of achievements and challenges

The only municipality to have received level 2 accreditation in the Western Cape is the City of Cape Town in 2012. This is in line with its target for the period. An additional level 2 accreditation for the province is a target for the 2014/15 period.

There are three major challenges identified by the province relating to accreditation Firstly there is the authority that sits with the MEC for Human Settlements, that he

needs to sign off on the subsidy. This authority needs to be delegated to the city for accreditation to be effective. However, this is complex legislatively.

The second challenge that the province identifies with accreditation is the capacity of the city. The feeling amongst provincial officials is that it has taken five years since the beginning of the current previous term for the city to understand the capacity it will need to fulfil level 2 and 3 obligations. In the province's opinion the city does not yet have 50% of the capacity it requires. The city is reluctant to recruit additional capacity without further accreditation, yet the province is reluctant to accredit further until the city acquires additional capacity.

The third challenge relates to reluctance on the part of officials and politicians at the provincial department to relinquish mandates to the city. Interviewees suggest that this might be partly protection of mandates by officials related and partly related to concerns about the city's track record of reporting to the province.

17.3.4 Sub-output: Affordable rental accommodation

Summary of achievements and challenges

The target for affordable rental accommodation for the Western Cape for the period was a total of 9 072 units. Of this 3 184 was supposed to be through social hous-

ing. The province missed its targets in this according to national department figures, achieving only 91% of its targets, or 8 252 units. However, if national USDG figures for the City of Cape Town are included this increases to 120 % or 10 964 units. The majority of these come from Consolidated Rental Units (CRU), with the total for the period being 6 096. Institutional housing is a small player in the province, having provided only 623 units in the period.

Restructuring zones for the implementation of social housing currently only occur within the City of Cape Town, although other options are being considered.[9] The province manages development of a social housing pipeline within the City of Cape Town metro. The current major project is Scottsdene which will deliver 100 units.

According to interviews with officials, the primary rental focus in the province is social housing, coordinated through the Social Housing Regulatory Authority. The limitations for social housing is due largely to funding shortages. Social housing units are expensive, costing at least R250 000 per unit, and this requires top up funding from SHRA of around R125 000.

The only new rental stock that has been developed has been in the City of Cape Town. Other municipalities achievements are largely upgrades of existing rental

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[9] *Western Cape Department of Human Settlements (2013) Annual Performance Plan 2013/14 pp 9.*

stock. From the perspective of the one provincial official, "Other municipalities struggle to manage existing stock. But they will upgrade a block that hadn't been upgraded for 30 years. The question is, should you be upgrading or focusing on new developments?"

According to officials, there has been some development in terms of CRUs, with the Scottsdene project completed, and there are others in the pipeline but these have not come online yet.
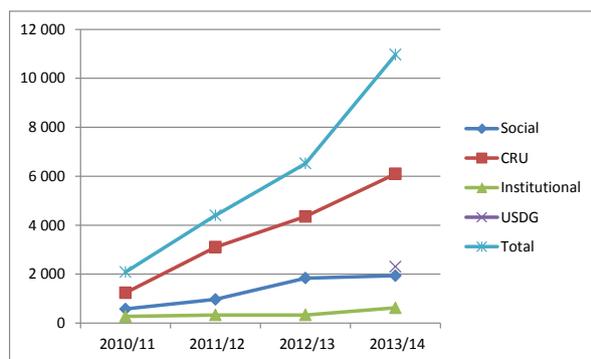
Figure 2: Social and Rental housing trend in the Western Cape

Figure 2 show the achievements of the Western Cape in terms of social and rental housing units over the period 2010-2014. It is clear from the graph the CRUs have made the most contribution toward providing rental accommodation. There has been no significant increase in institutional rental provision. This is attributable, according to interviews, largely to the lack of institution, and funding for institutions, with only the NHFC consistently able to fund its work.

National department figures appear to be divergent with the views of official within the province, who suggest that performance on rental targets has been relatively poor. This may, to some extent, be due to reporting challenges that exist between the City of Cape Town and the provincial department.

In terms of challenges faced, officials identified the hindering the provision of rental accommodation, provincial official identified the lack of well-funded institutions and well managed to provide institutional housing, the expense of rental units, getting restructuring zones approved and making rental housing affordable to qualifiers who are largely engaged in informal employment. This makes rental provision difficult to sustain.

17.4 **Conclusion**

It appears according to national figures that the Western Cape Department of Human Settlements has done well in achieving its targets. However, there is a perception amongst officials within the department that it has not been as successful as these figures suggest. The most likely source of the discrepancy between the fig-

ures and this perception is the lack of USDG reporting to the province, which the province cites as a significant challenge. However this is unlikely to fully reflect the reason for the discrepancy.

There is a continuing tension between the province and the City of Cape Town, which accounts for the majority of the human settlements backlog in the province. This is attributable to a number of factors including disputes over responsibilities, amongst officials, a lack of capacity in the city and reporting roles. In order to improve delivery in the province, it will be necessary for these issues to be resolved.

[1] Based on reporting up until February 2014, excluding March 2014 reporting figures.

Department of Human Settlements
Rapid Appraisal of Outcome 8: Output 1