

# Principles And Road Map For A Housing and Human Settlements Social Compact



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



SOUTH AFRICAN  
**ECONOMIC  
RECONSTRUCTION  
AND RECOVERY**  
BUILDING A NEW ECONOMY



# Content

1. Background On Social Compacts
2. Purpose
3. Spirit of Social Compacts
4. Constitutional, Legal and Policy Obligations
5. Rationale For Partnerships
6. Understanding Social Capacity
7. Documenting Social Compact Agreements



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 1. Background and Purpose

## 1.1 Background

a) Social Compacts are often seen as pacts between different parties on specific developmental issues.  
*(but it is deeper than that narrow definition)*

## 2. Purpose

The main purposes of a social compact agreement are:

- I. To enable the parties to work together effectively and in a spirit of **co-operation** and **mutual trust** in order to bring about development in the Community.
- II. To operationalise and document a **functional working relationship** between all stakeholders.
- III. To define the respective **roles and responsibilities** (duties) of the Parties.
- IV. To set out the **developmental priorities** for the Community and how these will be achieved.

# 3.Spirit Of A Social Compact

The Constitution, Policy and Legislation recognizes that the right to housing in human settlement is incremental, participative and partnership-based. It is based on a shared sacrifice which requires the following :

- I. The Parties commit themselves to **co-operate** with one another in a spirit of partnership.
- II. The Parties shall be **accountable** and **transparent**.
- III. The Parties commit to meeting their respective **roles, responsibilities** and **duties**.
- IV. The Parties shall make every effort to **meaningfully engage** with all affected stakeholders in the development process.
- V. The Parties commit to **resolve any disagreements** or **disputes** which might arise in a constructive, amicable and consultative fashion.
- VI. The Parties shall **adopt a development approach** which is **livelihoods** and asset-orientated – focused not only on short term needs but building resilient, sustainable livelihoods and strengthening community assets - including local skills, initiative and social networks.



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 4. Constitutional, Legal, Policy And Funding Obligations

## Constitution

- Constitution in section 152(1) sets out the developmental objects and duties of local government including:
  - To provide democratic and accountable government for local communities;
  - To ensure the provision of services to communities in a sustainable manner;
  - To promote social and economic development;
  - To promote a safe and healthy environment; and
  - **Involvement of all communities and sectors**

## National Human Settlements Code (Legislative, Policy and Regulatory Framework)

- Three Key Policy Intents:
  - 1) Tenure Security
  - 2) Health and Security, and
  - 3) Empowerment to address social and economic exclusion by focusing on **community empowerment** and the promotion of social and economic integration, building social capital participative processes and addressing the broader social needs of communities.

## Funding

- Grants And Subsidies To Fund Housing And Human Settlements Through Partnerships Between Communities, Metros And Provinces.
- Private and Community Based Funding Mechanisms To Support Government Financing Sources Based On Accountability, Responsibility, Affordability, Access and Value For Money



# 5. Rational For Partnerships

## Government

- **Legally obliged** to provide access to adequate housing and sustainable human settlements
- Provide resources and support capacity development
- Legislative, governance, regulatory and compliance framework
- Transformation and empowerment support

## Private Sector and Communities

- Support, encourage and promote development
- Co-funding and resources mobilization and support
- Support, maintain, operate and co-manage development
- Cooperation



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 5. Continued...

## Beneficial Development Underpinned By:

- (i) Selected and agreed actions,
- (ii) prioritised actions,
- (iii) Implementation of action: and
- (iv) Organize and act to protect, maintain, operate and sustain outcomes.



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 6. Understanding Social Capacity

- i. It enables capacitated partnerships to undertake development
- ii. It improves the quality of decisions made in respect of development settlement by accessing all available knowledge, expertise and resources:
  - It builds sense of ownership of the outcomes
  - It enables cooperative partnerships with diverse stakeholders, and,
- iii. It builds social capacity in society.



Social capacity is people's ability to work together to organize relationships within a community, rather than give responsibility for those relationships wholly to state actors or the market. It is based on and enables social cohesion within society.





# 7. Documenting Social Compacts

## Main Agreement

### 1. Purpose of the Agreement:

- Why we are entering into the Agreement
  - The general outcomes both parties wish to see should be set out.
2. The **Key Policies/“Rules of the Game”** that will be adhered to achieve desired outcomes
3. The **Sector Representative** Partner
- How the sector is organised and represented and will be involved in decision making (procedures)
  - Responsibilities of the Sector Representative Partner
4. The Sector
- How the sector is **organised and represented**.
  - Responsibilities of the sector and its Agents.
5. How **communications** between the sector and society will be undertaken, how agreements between them are to be reached and how disputes are to be resolved
6. The involvement, **roles and responsibilities** of other parties

## Annexures

As specific interventions and projects are planned and readied for implementation addendums to the main agreement can be added including for example:

- Manner targets. Outputs and Outcomes Planned, Delivered and Managed.
- Recognition of rights will be recorded and maintained.
- Manner risks are to be mitigated
- Plans, Funding, Monitoring And Oversight Of Programme and Projects



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 7. Continued

## 1. Purpose of the Agreement (Example)

Whereas the Parties:

- a) Recognise and agree that housing and human settlements in a Constitutional right with mutual socio-economic benefits and outcomes .
- b) Recognize and commit to the national sector development objective to promote and scale up housing and human settlements based on the current policy, legislative, governance, regulatory and compliance framework
- c) Recognize and commit to promote
  - i. Progressively improved tenure security
  - ii. Provision of basic infrastructure and services in a progressive and timely manner
  - iii. Equity, equality, empowerment and transformation of the sector delivery chain
- d) Recognise that, in order to achieve the outcomes, the parties need to collaborate, and each must make contributions to the achievement of these outcomes
- e) Recognise that a written agreement will assist in formalising and structuring the working relationship between the two parties.

The two parties therefore wish to enter into the agreement as outlined.....

# 7. Continued

## 2. The Key Policies/“Rules of the Game”

The parties agree that the following “rules” shall apply to the process of developing and implementing programme and projects to achieve the desired outcomes:

- a) All stakeholders in the housing and human settlements delivery chain will consult and prepare programme and project plans which contribute to the desired overall outcome
- b) The relevant delivery chain programme and project plans shall be



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort



# 7. Continued

1. The **Constitution, Legislative, Governance, Policy and Regulatory Frameworks** require community involvement, participation and consultation in the housing and human settlements development including the building of social and economic capital and capacity in the development process.
2. The parties have joint capacities which are needed to achieve the required outcomes.
3. The parties needs to ensure a **coherent arrangement** for consultation and agreement
4. The planning, funding and implementation of programmes and projects requires that institutional arrangements are established.
5. The **mechanisms** through which parties participate in the programme and project development process needs to be established.
6. The various programme and projects require specific levels of **social capacity, resources, skills and expertise**
7. The parties have different levels of social capacity – but such social capacity can be built over time by adopting specific **participation processes** and **techniques**.
8. Some parties have developed specialized expertise in these processes
9. An incremental process of building social capacity in the various programme and projects during the development process can be adopted and matched to **specific programmes and projects**

# Thank You



**human settlements**

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Houses • Security • Comfort

