



housing

Department:
Housing
REPUBLIC OF SOUTH AFRICA

PEOPLE'S HOUSING PROCESS POLICY



Breaking new ground in housing delivery
Houses, Security & Comfort

ACRONYMS

CBO: Community Based Organisation

EPHP: Enhanced People's Housing Process Programme

CROs: Community Resource Organisations

CPA: Communal Property Association

CSI: Corporate Social Investment

EIA: Environmental Impact Assessment

FBO: Faith Based Organisation

IDP: Integrated Development Plan

MOU: Memorandum of Understanding

NDoH: National Department of Housing

PoA: Programme of Action

PHP: Peoples Housing Process

PHPT: Peoples Housing Partnership Trust

RGs: Resource Groups

SDI: Slum Dwellers International

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1. POLICY REVIEW

In 2004 the National Department of Housing (NDoH) released the Comprehensive Plan for the Development of Sustainable Human Settlements (Comprehensive Plan) which outlined a plan for the development of sustainable human settlements over the next five years and embraced the People's Contract as the basis for delivery. In selecting a People's Contract, there is a very clear call in the Comprehensive Plan for the mobilisation of communities in partnering government in the delivery of housing. Through this new plan, the Department shifts towards a reinvigorated contract with the people and partner organisations for the achievement of sustainable human settlements by stating that "it is essential that communities and beneficiaries of government housing programmes be mobilised to partner in the implementation of the new human settlements plan... Communities and community-based organisations must be mobilised to engage more effectively with the housing programme".

One of the strategies listed in the Comprehensive Plan for implementing the new plan was the People's Housing Process (PHP). The plan called for the redirecting of the PHP by redefining the PHP, establishing a new funding mechanism for PHP and for providing sufficient institutional support for the newly defined PHP. An NDOH task team produced a "Policy Framework and Implementation Guidelines for the PHP Delivery Mechanism" in September 2005, but these Guidelines met with much resistance from the PHP sector as a whole, as they were too narrow in their focus and did not redefine PHP in a way that community driven initiatives could be included. Also the value added benefits of the process were not captured and included in the programme. The request by the sector to review these Guidelines was approved by the National Department in March 2007.

The review process offered the NDoH the opportunity to:

- Align the programme with existing NDoH initiatives, strategies and partnerships;
- Properly accommodate support for other community driven housing initiatives;
- Work with communities in a way that social capital is built upon rather than destroyed;
- Rebuild the relationship with the Non-Governmental Organisations (NGOs)/Community Based Organisations (CBOs)/ and the Faith Based Organisations (FBOs) as partners in the housing delivery process;
- Reconsider the policy and programme instruments so that an enabling environment is created;
- Take ownership of the programme and with the closure of the Peoples Housing Partnership Trust (PHPT) provide the institutional support to the programme, that the PHPT was never able to do.

Hence PHP is the successor of the PHPT and the PHP programme. A new Government Programme of Action (PoA) was developed in December 2007 with housing forming part of the social transformation programme. The intention of the social transformation programme is to develop poverty eradication interventions to empower people to take themselves out of poverty while creating adequate social safety nets to protect the most vulnerable. As part of the Government PoA, government has prioritised the re-positioning of the previous PHP programme and introduced the Enhanced People's housing process programme (PHP) and the development of a strategy for up-scaling and growing the programme. The PHP policy framework will replace the PHP policy of September 2005 from April 2009. The phasing out of the old policy and the phasing in of the new PHP policy is outlined in the growth and implementation strategy for the PHP programme.

2. ENHANCED PEOPLE'S HOUSING PROCESS

To engage with the sector in the development of a new programme, national PHP Forums were held in October 2005 and February 2006, out of which a new PHP strategy was developed. The strategy recognised that a number of different approaches to community development needed to be accommodated with community involvement in the decision making processes, community empowerment and the leveraging of additional resources being the determining factors for making it a project. This broadening of the scope of the PHP, with a focus on the outcomes of the housing process as a whole rather than just how the housing product is delivered, informed the development of the Enhanced People's Housing Process policy and programme. The PHP therefore replaces the PHP and should be seen as a new housing programme, with dedicated support and funding for harnessing community initiative, community empowerment and building community partnerships.

The PHP provides for a process in which beneficiaries actively participate in decision-making over the housing process and housing product and make a contribution in such a way that:

- a) Beneficiaries are empowered individually and collectively so that the community ultimately takes control of the housing process themselves. This includes identifying the land, planning the settlement, getting approvals and resources to begin the development, contracting out or building the houses and providing the services, living in and upgrading their homes and continually improving the community;
- b) Various partnerships are created;
- c) Social capital is retained and expanded upon as the process builds on existing livelihood strategies and creates all kinds of associated poverty alleviation opportunities for the community;
- d) Housing is valued as an asset far beyond its monetary value for all the value added components it provides for individual household members and for the family as a whole;
- e) Housing citizenship is built, with beneficiaries being aware of their housing rights and responsibilities;
- f) Local economic development is promoted with money spent being kept in the community increasing the local multiplier effect;
- g) Stable communities with a direct stake in the future of their neighbourhoods are fostered;
- h) Houses are built that are better suited to the needs of individual households;
- i) Women and the youth are more directly involved in the process, ensuring skills transfer;
- j) Human settlements are built that are more sustainable because they are more inclusive and more responsive to the needs of the community and because communities have invested directly in the process.

3. POLICY INTENTION

The main aim of the PHP programme is to deliver better human settlement outcomes (at household and at the community level) based on community contribution, partnerships and the leveraging of additional resources through partnerships. This is achieved by developing livelihoods interventions which lead to outcomes such as job creation, developing a culture of savings, skills transfer, and community empowerment, building of community assets and social security and cohesion. The PHP enables/encourages communities to actively contribute and participate in the housing development process so that communities take ownership of the process and not just act as passive recipients of housing.

The PHP recognises that the community is the initiator and driver of the process. The programme is intended to build on existing livelihood strategies so that social capital that has been built up in a community is capitalised on. The PHP therefore builds on the positive steps that communities have taken to organise and house themselves rather than diminish the contribution that communities have made.

The PHP recognizes that community contribution is broadly defined and should not be equated with a labour contribution (sweat equity) only. This can be a contribution but it is certainly not the determining factor for the programme. Partnerships between the community and the various NGOs and FBOs working in the sector are critical for making PHP work as they ensure the transfer of skills (including management, administration as well as the technical aspects of building) and expertise to the community. This requires strong social facilitation skills as well as project management skills. The selected NGO/FBO are also responsible for leveraging

additional resources and setting up the value added components of the process.

The programme has a strong poverty alleviation focus and it is therefore aimed at poorer households. The programme ensures greater understanding and responsiveness to the needs of vulnerable groups including women, youth, the elderly, the disabled, and children.

The programme is intended to bring about more integrated, area based development as it encourages strong linkages with other Government Departments and programmes through the community engagement and housing delivery processes.

The programme is intended to provide an alternative to developer-driven development which creates uniform housing products and little appreciation of the housing asset by communities. It therefore creates a more sustainable means for government to work with communities to reduce the housing backlog.

The programme is intended to build and support the housing micro-finance sector by supporting the work of NGOs who assist communities in building and extending their homes.

The programme is based on practice and therefore needs to allow for rapid feedback mechanisms to ensure that the programme is implemented. The PHP is aligned to support other housing programmes such as rural and farm resident housing and could be used to help unblock blocked projects in Provinces.

4. POLICY PRINCIPLE

The PHP is based on the principles of:

- a) Community decision making/choice;
- b) Community contribution (these are defined in the section listing the funding contributions); and
- c) Partnerships and leveraging additional resources.

The policy is therefore designed around the value added principles that PHP can deliver through the process and provides a mechanism to facilitate the flow of resources from government to resource poor groups and provide mechanisms that are accountable and responsive to a participatory approach. The programme recognizes the risk of no involvement by the National Home Builders Registration Council (NHBRC) for government but also needs to allow for community initiative and participation in the process. The PHP therefore requires project enrolment with the NHBRC through the Province to foundation and slab level, but will not require individual house enrolment. In addition the NHBRC will be required to participate as a partner in the programme to build the capacity of the community in which the project is being initiated.

5. APPLICATION OF THE PROGRAMME

Importantly, there is a difference between across the board participation and the Enhanced Peoples Housing Process, and as such the entry point for engaging with a community must be around accessing housing through this housing programme.

Community is defined either by location (e.g. through living in a particular area) and/or by common interest (for example a household who wants a house and who wants to/is willing to participate in the housing process).

The programme applies to the following 2 options:

- a) Areas/projects where communities have already organized themselves and want to participate in the housing process. This requires pre-development support and resource accumulation. The organized community then takes their request to the Local Authority through the local negotiating platform. This is a demand led approach.
- b) Areas/projects where there is an opportunity to mobilise communities to participate in the housing process as identified through the Local Authorities and Provincial Housing Plans. This will happen where Local Authorities have allocated a certain percentage of land to the PHP programme in their Integrated Development Plan (IDP)/housing sector plan so that the programme is prioritised. Part of the IDP/housing sector plan will need to be negotiated with communities on e-PHP processes/projects. This is a supply led approach.

This means that Provinces will need to manage their demand databases (housing waiting lists) as PHP encourages government supporting those communities who want to work with government to build human settlements in terms of a demand led approach. This must be viewed and managed constructively so that it is not seen as a means of queue jumping.

6. WHO WILL BE ASSISTED

Minimum standards for community participation and empowerment are applied and will need to be benchmarked through the monitoring and evaluation process. This is done in the funding arrangements section (section 7).

Practically php projects can be applied to:

- a) Projects where ownership (individual or group) is the tenure form or where "Permission to Occupy" (PTO) letters have been given in rural areas.
- b) A range of different building typologies including new build, hostel refurbishment, informal settlement upgrading, in-situ upgrading etc.
- c) Different housing contexts such as informal settlements, rural settlements, greenfields developments, etc.
- d) Projects where different densities are introduced; and
- e) Projects where different products and process options are encouraged.

The PHP can only be applied when there are approved Community Resource Organisations (CROs) in a Province. CROs can be NGOs, FBOs or a specifically put together development consortium. The NDoH will provide a set of skills needed for a CRO to work with a community in implementing a PHP project. CROs would then be screened against the set of skills required and if approved placed on an approved list which will then be issued to provinces. However it is for the community to select which CRO they are going to work with in the Province.

The PHP will only be applied where communities are prepared to make minimum community contributions (as defined in 7.3.)

The basic entry requirement for the programme is that an individual needs to be part of an already organised community group or must have indicated that he/she wants to participate in a community driven housing project. In other words the programme covers approaches and initiatives of both individuals who want to/are willing to become part of a group and community groupings. In order to determine whether a person/household qualifies for participation to the process, the qualification criteria of the programme to be accessed will apply.

7. FUNDING ARRANGEMENTS

Four different funding streams are necessary. These are capital funding, capacity building funding, community contribution/equity funding and bridging finance.

7.1 Capital Funding

The capital funding required is as follows:

- a) Housing subsidy: The standard housing subsidy amount for the top structure (increased annually in line with inflation). However if the municipality is not able to cover land and infrastructure costs then the full capital housing subsidy will apply. Importantly there is to be a dedicated subsidy for the PHP programme.
- b) Special conditions/enhancements to the capital subsidy: All enhancements would apply (such as the geotechnical allowance or the disability allowance, etc).
- c) Municipal Funding: Funding for infrastructure should be provided through the applicable grants if available or as a last resort accessed from the province. The municipality would be responsible for all land packaging and town planning/township establishment funding (including the undertaking of Environmental Impact assessments (EIAs) and rezoning) and could provide land purchase funding or donate land to communities. The municipality is also responsible for funding additional facilities and amenities.
- d) Provinces would also be able to purchase and make available land for PHP projects within the limits of their funding allocation.

7.2 Capacity Building Fund

To facilitate the PHP processes of community engagement and leveraging resources capacity building fund is required. This capacity building funding relates to 6 different aspects of the

housing process:

- a) Pre-project consumer education funding: This relates to all aspects of housing delivery and is funded by the NDoH. It is however especially important for PHP as the Process is dependent on beneficiaries being informed and choosing this delivery method upfront. The PHP requires two kinds of consumer education funding. The first covers the broad general housing information provided by the NDoH in which beneficiaries will be alerted to the new PHP programme and its requirements. If selected as the preferred delivery option, PHP will then require more intense community work shopping. This could be undertaken by the Province or a selected CRO. Only once communities have elected to go the PHP route and selected a CRO to work with them will the capacity building support outlined in 7.2.2 become available.
- b) Project specific capacity building and facilitation funding: This is broken into three phases and is to be funded through Provincial allocations. These grants will be paid to the selected PHP Resource Organisation (CRO) on completion of work done and will need to be costed and measured by the CRO so that they can be monitored:
 - i) Pre-project: This includes facilitating the community participation, setting up the community structures and providing organisational development support, setting up of savings groups, project enumeration, preparing the Project feasibility and Business Plan (templates included as an appendix to the implementation strategy) and submitting it for approval.
 - ii) During the project: This will include organisational development to set up the operating procedures and systems including systems to manage the finances for the project, to get the vari-

ous different components of the project up and running and operating sustainably, technical support, skills transfer.

- iii) Project closure: training on house maintenance, responsibilities of the owner, advice on additions and alterations and handover of the completed project to the community grouping.
- c) Funding for building the physical structure to be used as the Housing Support Centre (HSC): One subsidy per project/area is to be allocated for use as a HSC according to agreed upon design standards. If further projects develop linked to this in the area then this will remain as a HSC. Alternatively it could be allocated to a housing beneficiary as a house or be used as a community facility. This is to be funded from the Provincial budget, unless an alternative source/s of funding can be identified through social amenities and facilities programmes available in an area.
- d) Facilitation and Capacity building for the sector: This will include funding for sector networking and information sharing, best practice documentation, product development, training and research and funding for facilitating partnerships with other government programmes for capacity building/training/support. Funding is also needed for some start-up capacity building manuals and training materials for the PHP sector, designing and implementing the delivery chain, workshops for Local Authorities (LAs) and provincial staff. This is to be funded by the NDoH and Provinces.
- e) Funding for unblocking blocked projects: Many Provinces have blocked or stalled PHP projects which require unblocking and resolution. It is important that these projects be resolved and concluded in order to facilitate the implementation of the PHP programme.

The process for addressing these projects is outlined in the growth and implementations strategy. Funding for this will primarily be obtained from the provincial budget depending on the nature of the blockage and issues that need to be resolved.

7.3. Community Contributions/Equity

For the project to qualify for the PHP programme at least 4 or more of the following community contributions/equity are to be considered and need to be incorporated into the projects. These have to be contributed pre- and during the project and not post the project. These aspects will be monitored to ensure that the value added benefits of the programme are being met. Community contributions include:

- a) Time/leadership/participation/ownership of the project by the community by participating in community meetings and setting up a project steering committee. This is a compulsory contribution and as such has to be one of the four.
- b) Agreeing on and selecting an accredited PHP Resource Organisation (CRO) or agreeing to have a screened CRO work with them to achieve the desired outcomes. This is a compulsory contribution and as such needs to be one of the four.
- c) Land may be a contribution, whether it is collectively owned in a Communal Property Association (CPA) by the community, or purchased privately by the community (see 7.3.5.), or collectively owned in a co-operative or land that the community has got donated to them such as land donated to them by a FBO, municipality, private individual or company.
- d) Savings contributions, managed and used in accordance with the decision taken by the community.

8. INSTITUTIONAL ARRANGEMENTS

- e) Top-up funding through various partnerships forged by the community with other stakeholders (private employers, FBOs, local industry or a corporate through their CSI contribution, etc).
- f) Demonstrated Knowledge/skills/expertise.
- g) Labour, not necessarily free (payment would be decided on a project basis).
- h) Materials contribution, through inter alia the setting up of brick-making yards, recycled material or through a donation from a supplier.
- i) Special community initiatives related to and connected to the housing project/area such as inter alia community food gardens, community care, community based maintenance of the infrastructure, refuse collection, community gardens, maintaining public spaces and buildings etc.
- j) Bringing in community volunteers or employers (this could include student internships/learnerships, employer volunteers through "builds" etc).

7.4 Bridging finance

Bridging finance may be necessary to ensure programme momentum and to reduce the risks for CROs. This facility will be project specific and will need to be mobilised and organised by the CRO and the community with assistance from the NDoH to attract donor funding for this or to encourage the banking sector to provide affordable funding for this. The Business Plan submitted to the province by the CRO for the project would need to indicate if bridging finance has been secured and is being utilised in the project in order to manage the various risks involved.

This section will outline the roles of the various key role players in the programme. The diagram illustrates the key contractual and accountability relationships between the provinces, municipalities, PHP resource organizations and the community groups. The roles have been simplified and streamlined and kept in line with the core skills and capacities and responsibilities of the different role players.

- NDoH
- LA
- Province
- Community members
- CRO
- Community members
- Community members
- CBO

8.1 The role of communities and individuals

It has been emphasized earlier that the control, leadership and choice of PHP by communities is central to successful PHP projects. The role of individuals/communities should be to:

- Pro-actively take ownership for PHP at an individual/community level;
- Set up the appropriate community groupings to accommodate individuals and leadership structure/Community Based Organisation (CBO) (Voluntary Association, Community Trust, Co-operative or Section 21 Company) to facilitate working with the CRO and dealing with the project complexities;
- Access, mobilise and adhere to the required community contributions (outlined in section 7).

8.2 The Role Of CBOS

In order to scale up delivery and for community empowerment to occur, competent, recognised and effective CBOs need to be set up. Once set up their role is the following:

- a) To keep individuals/communities informed of the choices available to them and to assist individuals/communities to make appropriate choices through regular communication and feedback;
- b) Facilitate access to, mobilise and adhere to the required community contributions (outlined in section 7);
- c) With the CRO set up and management of the Housing Support Centre if required;
- d) To set out roles and responsibilities with the CRO and to fulfil the roles;
- e) To set up administrative systems with the CRO and then to maintain them; and
- f) To work with the CROs to set up the value added components for the process.

8.3 The role of Community Resource Organisations (CROS)

CROs play a vital role in the capacitation of CBOs to implement PHP and ensure the realisation of such projects. Their role is extensive but should diminish as the CBOs become more capacitated and the projects reach conclusion. CROs can include NGOs, FBOs and/or a consortium of different stakeholders to make up the skills required.

CROs are responsible for the following key roles:

- a) Building the appropriate capacity to support e-PHP implementation and project delivery at community level. This includes capacitating the CBO with the skills needed for daily management of the project. This includes inter alia training on basic financial management, project management, general management and payment processes.
- b) Organisational development to set up the operating procedures and systems, to get the various different components of the project up and running and operating sustainable.
- c) Facilitating community participation, project enumeration, preparing the Project Business Plan and submitting it for approval, as well as addressing any issues relating to approval
- d) Setting up the contractual and accountability relationship with Province and the Local Authority for the community;
- e) Ongoing technical support to the projects and technical compliance as well as dealing with matters relating to the NHBRC
- f) Ensuring cash flow and administering payments as well as accounting for subsidy funding per project;
- g) Preparing progress reports in line with provincial requirements;
- h) Monitoring and evaluating progress of the CBOs and projects.

8.3 The role of Local Government

Local government has an important facilitative role to play in encouraging and supporting PHP. The role of local government should be to assist positively in the creation of an Enabling environment for PHP at a local level.

This role would involve the following:

- a) Carry out area based planning to inform IDPs and spatial development frameworks and to incorporate PHP projects where appropriate;
- b) Ensure that IDPs and funding frameworks accommodate demand for e-PHP;
- c) Facilitate land availability to support PHP including providing land purchase funding for communities or donating municipal land for projects where possible;
- d) Provide physical services and infrastructure for the project where possible;
- e) Provide town planning services and township establishment funding (including the undertaking of Environmental Impact assessments (EIAs) and rezoning).
- f) The municipality must provide for and fund additional facilities and amenities required by the community.

8.4 The role of Provincial Housing Departments

The provincial housing department has a key role to play in ensuring the efficient and effective administration of PHP initiatives. The role of provincial housing departments would be to:

- a) Ensure provincial planning frameworks proactively support demand for PHP;
- b) Set targets for PHP to support budget allocation;
- c) Build capacity for PHP in the province.
- d) Ring fence and allocate subsidies and grants for PHP;
- e) Prepare and manage contracts with the CROs;
- f) Approval of PHP projects and timely disbursement of project and capacity building funding to the CROs; and
- g) Monitor the CROs.

8.5 The role of National Department of Housing

The National Department of Housing plays a critical role in the creation of an enabling environment conducive to the efficient and effective implementation of PHP. The role of the National Department should be to:

- a) Advocate, promote and support the implementation of PHP nationally mobilising support, additional funding and technical support for the sector and ensuring the sharing of PHP information to the sector;
- b) Set up standards and screening procedure for PHP Resource Organisations (CROs) and maintain a database of accredited CROs for Provinces to access;
- c) Align Departmental structures and programmes to support and leverage PHP implementation; and
- d) Ensure broad consumer education and awareness about PHP.

9. IMPLEMENTATION TIMEFRAMES

The implementation of the PHP programme will commence on 1 April 2008.



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Design & Layout: Corporate Communication