



The Presidency
Department of Performance Monitoring and Evaluation

RHLF WORKSHOP
A DPME PERSPECTIVE:
OUTCOME 8

NOVEMBER 2014

THE MTSF & THE NDP

- March 2013 Cabinet sets 2014-2019 MTSF as 5 year implementation plan of NDP
- *Implementation plan* for the NDP/ election commitments
- Introduces notion and intent of radical economic transformation
- Emphasises improving service delivery & the public service ; efficiency and effectiveness of local/government
- Identifies implementation responsibilities
- Treasury regulations require draft plans with MTSF targets
- *Provides targets and timeframes for implementation of key actions for implementation and M&E*



MONITORING THE MTSF

- MTSF is a high-level strategic monitoring tool for Cabinet:
 - Departmental/Agency strategic plans reflect MTSF commitments
 - Quarterly POA reporting to Cabinet by Ministers & DPME focus on MTSF targets

- MTSF chapter serve as delivery agreement to detailed delivery agreements / sector plans

- Indicators and targets to be basis of performance for officials and partner Agencies (& should translate into shareholder/stakeholder compacts)



OUTCOME 8: SUSTAINABLE HUMAN SETTLEMENTS AND AN IMPROVED QUALITY OF HOUSEHOLD LIFE

Adequate housing and improved quality living environments

- Evaluate, review and improve existing housing instruments
- Increase the supply of housing opportunities: 1.5 million
- 750 000 households in informal settlements upgraded
- 50 catalytic projects (250 around nodes)

Functionally equitable property market

- Increase the supply of affordable housing: 582 238 loans

Enhance institutional capacity to coordinate spatial investments

- Human settlements spatial framework
- Accredited/Assign municipalities with housing function



MEDIUM TERM EXPENDITURE FRAMEWORK

Achieving economic growth and poverty reduction

Economic Infrastructure

Lowering the cost of doing business

Bulk and refurbishment

Cost of living for the poor:

Water and sanitation infrastructure
Household electrification

Integrated Urban Space and Public Transport

Road based public transport
(BRT for 11 cities)

Commuter and long distance rail transport

Adequate housing, functioning property market, coordinated spatial investment

1.5m housing opportunities:
Informal settlement upgrading, subsidised, rental and affordable housing

DFI consolidation
Title deeds
Accreditation and assignment



WHAT WE INHERITED (*& THE SHIFTS*)

- FRAGMENTED DELIVERY SYSTEM –*POLICY (REWORKED VERTICALLY AND HORIZONTALLY)*
- LIMITED *OWNERSHIP/ACCESS TO THE MARKET FOR BLACKS (40%=+)*
- BLACK GHETTOS (*REINFORCED AND EVOLVED*)
- DISTORTED MARKET/DISFUNCTIONAL MARKET (*REMAINS-EMERGING BUT LIMITED*)
- 1980/90'S: OVERCROWDING; LIMITED EXPANSION OF THE MARKET INTO TOWNSHIPS; *INFORMAL SETTLEMENT GROWTH; SOCIAL FRAGMENTATION (SHIFT)*
- BACKLOG 1.2-2M MILLION (*REMAINS-DRIVEN BY MIGRATION, DEMAND & SUPPLY*)



20 YEARS OF DISTRIBUTING ASSET CAPITAL

- SHELTER, ACCOMODATION, HOME, CITIZENRY
- MARKET ECONOMIES AND ASSETS (LIVELIHOODS)
- 3 M HOUSING OPPORTUNITIES: ASSETS; HOME FOR NEARLY 25% OF POP
- R 100 BILLION + INTO SUB MARKET
- ENTRY ONTO MARKET LADDER-NEIGHBOURHOOD AND WORKINGS OF CITY
- COUPLED INVESTMENT (STATE AND) BANKS (R 1-200 B+)
- 5 677 614 FORMAL HOUSES (GOV/PVT) 64% in 1996 to 77.7% in 2011, 50% GROWTH: KEY HUMAN SETTLEMENTS TRAJECTORY)
- PROPERTY MARKET GREW 13 FOLD (FROM R300 B TO R 4 TRILLION)



3 SEISMIC SHIFTS

- FROM HOUSING TO HUMAN SETTLEMENTS
- SINGLE RDP TO INCREASED SCOPE, FLEXIBLE PRAGMATIC INSTRUMENTS (COMPLEXITY)
- HOUSING/HUMAN SETTLEMENTS-ESSENTIAL TO SOCIAL COMPACT

(REVISED - SCOPE SCALE AND PACE)

IMPACTS:

- 4 TRILLION RESIDENTIAL MARKET; R 300 BILLION AFFORDABLE MARKET
- HLMDA/(CRA)/FSC RELEASED R 100 B/2 M HH
- WIDE, MORE EQUITABLE DISTRIBUTION OF HOUSING PROJECTS & PRODUCTS
- RENTAL MARKET GROWTH (25%)
- SOCIAL HOUSING 50 000 TARGETTED INTO PRZ'S
- 56% WOMEN HEADED HOUSEHOLDS



CHALLENGES

POLICY TO LEGISLATION; PLANNING TO PROGRAMME DESIGN; RECALIBRATING IGR; IMPLEMENTATION LOOPED BACK THROUGH M&E (& INSTITUTIONAL RE-ENGINEERING)

- LIMITS TO OVERCOMING SPATIAL STRUCTURE AND MARKET EXCLUSION (NDP)
- LIMITED INTEGRATION OF PLANNING, TRANSPORT AND HOUSING FUNCTIONS (NO MARKET CONSIDERATIONS)
- DISCIPLINING INVESTMENT (SPATIAL TARGETTING-NDP/LEVERAGING PRIVATE SECTOR INTO BUILT ENVIRONMENT)
- CONCERTED SUSTAINABLE HUMAN SETTLEMENTS DEVELOPMENT-SPATIAL IGR COORDINATION REQUIRED
- REVIEW SUBSIDY INSTRUMENTS/APPLICATION-(NDP)
- INFORMAL SETTLEMENT UPGRADING EMPHASIS + PHP (NDP)
- RENTAL -FORMAL/INFORMAL (NDP)
- MODALITIES FOR COPRODUCTION-PPP'S & CBO'S (NDP)
- FISCAL SUSTAINABILITY (FFC & NT EXPENDITURE REVIEW)



REFLECTIONS ON 2009-14: OUTCOME 8

➤ **Targets:**

- 8 928 hectares of state land despite locational concerns
- 400 000 + households in informal settlements upgraded – focus vs. type
- Social/Rental Housing – delivery growth with institutional breakdown
- Gap Market (weak market environment; no policy framework; unevaluated instruments/institutions; incoherent DFI strategy)

➤ **Challenges:**

- Need for land in larger urban centres
- Delay in tackling the affordable housing market – policy vacuum
- DFIs not effective at incentivising investment in the gap/social/rental market
- Accreditation /assignment process not concluded - capacity to be reviewed
- Current regulatory & monitoring frameworks inadequate
- Absence of rental housing policy & strategy
- underdeveloped institutional capabilities



NDHS RAPID APPRAISAL OF OUTCOME 8 (08/2014)

EMERGING LESSONS

- Output 1 (upgrading; NUSP; Rental & accreditation): impetus to devolution agenda & focus on informal settlement upgrading
- Accountability arrangements provided regular, focused and concise strategic monitoring and reporting to political leadership & kept pressure to achieve the targets
- pressure to achieve targets, poor initial definitions, lack of shared understanding and buy-in, & poor monitoring/reporting frameworks have led to the reporting of data that is not credible
- Data credibility & shifting definitions mean that sub-programme contribution is in-determined
- Not resulted in trickle-down institutional reform and change management



NDP DNA: MODIFICATION OF MTSF

- REVIEW HOUSING INSTRUMENTS- **GP/WP/ACT/CODE REVISION**
- HOUSING SCOPE *RECALIBRATION-SPATIAL TARGETTING-HOUSING-HUMAN SETTLEMENTS SPATIAL INVESTMENT FRAMEWORK*
 - INFORMAL SETTLEMENT UPGRADING (IMMEDIATE, THEN SPREAD OVER A GENERATION):CORE OF SOCIAL CONTRACT
 - SOCIAL/RENTAL (BACKYARD)
 - LAND/PLANNING AND MARKETS
 - SPATIAL FRAGMENTATION UNEQUAL DISTRIBUTION OF SOCIO ECONOMIC OPPORTUNITIES- INVESTMENT & PROJECT RECALIBRATION FOR ACCESS & FUNCTIONALITY (INVESTMENTS IN PUBLIC SPACE)
 - +UNEVEN DENSITY= TRANSPORT FUNCTIONALITY
- **DDD (DISTANCE, DENSITY AND DISLOCATION) TO EEEE-NEW HUMAN SETTLEMENTS ASYMETRY (WDR 2009)=ACCREDITATION OF CITIES**
- **FUNCTIONAL EQUITABLE RESIDENTAIL PROPERTY MARKET**
 - GROWTH & REDISTRIBUTION IN THE MARKET (MORE INTO RATES ROLE)
 - TACKLING GAP MARKET
 - DFI RATIONALISATION
 - CONCERTED ENGAGEMENT ON MARKET FUNCTIONALITY
 - (INCLUDING DEEDS TRANSFER-BECAUSE OF INHERITANCE)



MTSF 2014-18

Sub-Outcome 1: Adequate housing and improved quality living environments

- Increased households in adequate housing (rental, gap, subsidy): 72 000; 110 000; 563 000
- # of households living in informal settlements upgraded to level 2 of UISP: 750 000 (2200 Informal Settlements)
- Number of functional settlements that are spatially, socially and economically integrated (both new and revitalised): 50 catalytic projects; 250 settlements

Sub-Outcome 2: Functionally equitable property market

- Growth & distribution of value in the residential property market: 148 000 new properties entering rates role p.a.
- Percentage of sales transaction of properties worth less than R500 000: 20% increase
- Increased volume of home loans by private sector & DFI's in the affordable housing market creating new units: 582 000 loans

Sub-Outcome 3: Enhance institutional capacity to coordinate spatial investments

- No of Metros assigned/accredited for the administration of housing function : 8 metro's
- No of municipalities accredited with level 2 and provided with post accreditation support : **21**

➤ Human Settlements Spatial Framework



Evaluation in the NEP

- **Cabinet approved NEPs**
- **Collaboration between DPME and DHS**
- **Four** (strategic) programmes evaluations:
 - Integrated Residential Development Programme
 - Upgrading of Informal Settlement Programme
 - Social Housing Programme
 - Urban Settlement Development Grant
- **Two** reviewing the entire housing policy through two lenses i.e. asset creation and access to the city



Why evaluate

- Evaluations are in the forefront of a policy rethink new—strategic framework(evidence based policy process)
- The evaluations assess the programmes in three areas:
 - Conceptualisation/Design
 - Processes of implementation
 - Impact or outcome
- Test
 - (implicit) mechanisms of change and the assumptions underlying those mechanisms;
 - quality of implementation processes
 - quality of performance indicators and the M&E framework;
- provide a view on the likelihood that the programmes will improve quality of households lives,



Positioning evaluations

- **In part, implementation of the current Medium Term Strategic Framework (MTSF)**
 - responding to a broader focus currently framed by the MTSF
- **Input to the housing policy review**
 - Formal assessment of housing performance in BNG era (lessons learned)
 - Respond to the NDP
 - Locate housing within the new IUDF
 - definition of new set of performance norms
 - Together with the expenditure reviews, recalibrate the HS M&E framework



Setting baseline for future UISP evaluations

- Medium term evaluation project consists
 - Baseline study 2014/15
 - Implementation evaluation 2016/17
 - Impact evaluation 2018/19
- Baseline study objectives:
 - Establish baseline (state of informal settlements to be upgraded)
 - Develop a monitoring framework for the UIS programme for DHS to track progress
- Baseline to be completed in March 2015



STRATEGIC CONSIDERATIONS

- FRONT-END LEAD PRACTICE REVIEW INFORMING POLICY REALIGNMENT (ROLE OF HUMAN SETTLEMENT AGENCIES- **RHLF**)
- SECOND GENERATION HOUSING ENABLEMENT AND HUMAN SETTLEMENT RECONCEPTUALISATION-**A/SPATIAL DELIVERY – (RHLF):GREENPAPER**
- POLICY REALIGNMENT-NATIONAL CONSISTENCY(IGR POLICY TEAM-HORIZONTAL/VERTICAL)
- PROGRAMME REDESIGN (FISCAL FLOW-PROCEDURE RECALIBRATION)
 - DISCIPLINING PUBLIC/INCENTIVISING PRIVATE INVESTMENT FRAMEWORK (SPATIAL TARGETTING)
- IMPLEMENTATION REFRAMING (RE-CODE;REVISIT INSTITUTIONAL ARRANGEMENTS; CAPITAL-OPERATIONS SPLIT)
 - KEY CAPITAL HOUSING/HUMAN SETTLEMENT INVESTMENT INSTRUMENTS: SOCIAL/RENTAL INCLUDING BACKYARD & INFORMAL SETTLEMENT UPGRADING/EQUITABLE DISTRIBUTION OF MARKET VALUE/BETTER INVESTMENT IN THE PUBLIC REALM

