

**MASITHEMBANE HOUSING ASSOCIATION:
CASE STUDY COMMISSIONED BY THE PEOPLE'S HOUSING
PARTNERSHIP TRUST: DEPARTMENT OF HOUSING**

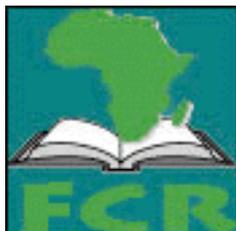
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FINAL REPORT

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Table of Contents

	PAGE
1. Introduction	5
2. Context	6
3. Objectives of the Masithembane Case Study	7
4. Methodology	9
4.1 Mobilisation	
4.2 Facilitation and Project Preparation	
4.3 Implementation	
5. Research Analysis	10
6. Conclusion	28
7. Recommendations	29
Appendix: Questionnaire	

Masithembane People's Housing Project

PROJECT SUMMARY

<i>Project</i>	Masithembane Housing Association W – Section, Site B, Khayelitsha Western Cape
<i>Description</i>	220 families formed a Housing Association with legal status. They accessed state housing subsidies with the help of a housing NGO (DAG). They contracted Marnol, a private sector materials supplier to help them with project management and materials supply
<i>Material/ Technical Assistance</i>	Marnol Projects (PTY)LTD P.O. Box 273, Blackheath, 7581
<i>Accounts Administrator</i>	Loubser Du Plessis Inc. Postnet Suite 5, Private Bag X22 Tygervalley, 7536
<i>Development Facilitators</i>	Development Action Group (DAG) 101 Lower Main Road, Observatory, 7925
<i>Architect</i>	Dick Crane Architects
<i>Unit Mix</i>	36m ² @ R9 775,00 44m ² @ R12 807,00 55m ² @ R14 771,92
<i>Completion of Phase 1</i>	October 2000
Total Subsidy	R 2 024 000

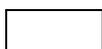
MASITHEMBANE HOUSING PROJECT FINANCING

PUBLIC SECTOR

Grants:	<i>City of Tygerberg:</i>	Title deeds of plots	R1 650 000
	<i>Provincial Housing</i>	Subsidies	R2 024 000
	<i>Development Board</i>	Facilitation Grant	R21 890
		Establishment Grant	R125 400

Community: *Masithembane* Savings R330 000

TOTAL	R4 151 290
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1. Introduction

There are not many examples in the context of housing delivery where a community has organised itself to build their own houses at a rate of 220 in under a year. The Masithembane People's Housing Association, situated on site B, W section in Khayelitsha, used the People's Housing Process (PHP) as a framework, which is designed to recognise and support the process of housing initiated by the people for the people.

The process is valuable because it is based on the assumption that people can deliver better and more cost-effective housing than government. The PHP process supports community ingenuity and initiative and brings out their potential. It gives guidelines for residents to organise themselves as legal entities and to access the housing subsidy scheme with or without help from outside support organisations. These guidelines are flexible and provide the beneficiaries and their support organisations with a framework, enabling them to design the most appropriate mechanisms for their given situation.

The PHP framework moves away from the conventional contractor-based approach. It emphasizes transparency by holding all institutions accountable to the community and the authorities concerned. Central to the provision of support is cost effectiveness, which ensures that support only occurs when the housing committee and community cannot themselves undertake a necessary activity or solve a problem.

The key to understanding the Masithembane case study, is the innovative way in which the community has involved different organisations for support throughout different stages of the project. The Development Action Group (DAG), a housing NGO, was approached for assistance during the initial mobilisation, preparation and approval stages. During the implementation stage, Masithembane involved Marnol, an experienced developer in the area. The PHB was involved throughout, not only to monitor the project, but also to provide an accessible support basis for the community.

As part of the case study, community interviews were conducted, providing the beneficiary families' perspective on the project. 43 families (28 families in completed houses and 15 families on the waiting list for Phase Two) were asked to give their views on issues like decision-making, skills gained throughout the process, involvement of women and quality of houses.

Other role players were interviewed to provide an insight into a community-initiated model in which outside support was involved strategically. By using various forms of outside support, the Masithembane Housing Association not only completed the project within the prescribed timeframe and used the subsidies optimally, but also organised themselves into an effective vehicle for development. The first phase of 220 houses has been more or less completed and the Association is presently awaiting the approval from the Housing Board for phase two with 750 families on their waiting list.

This case study hopes to provide the Housing Association, support organisations and concerned authorities with useful information for the future.

2. Context

The issue of housing has and will always be a contentious issue in South Africa. We face tremendous levels of poverty and any observer looking around the country can easily see this. Poor people very seldom have access to adequate housing and other basic amenities. Even the definition of what adequate housing is or should be, will stay open to scrutiny.

The People's Housing Process has its roots in a Housing Summit held on 27 October 1994 which was held at Botshabelo in the Free State Province. From there a Housing Support Task Team was established to promote and facilitate housing support activities in the nine provinces. One of the strategic thrusts of the national housing programme relates to housing support. In order to assist individuals and groups of potential beneficiary families, Government at all levels planned the establishment of housing support mechanisms throughout the country, in conjunction with the private sector and civil society.

Government's assistance to the poor is clearly set out as a priority. The poor, however, cannot easily access this assistance entirely on their own. An intervention is needed to facilitate the establishment of a range of financial, institutional, technical and logistical support mechanisms to enable communities to improve their own housing circumstances on a continuous basis. The conceptualisation of Guidelines to support the People's Housing Process had this in mind in formulating a dynamic approach, which leaves room for innovation and is not rigid or pre-packaged. These Implementation Guidelines are earmarked to provide for innovation at the local level as long as the fundamental principals of supporting a people's process is observed. The Guidelines does not try and prescribe one rigid way of approaching housing support but provides for the beneficiaries and their support to design the most appropriate mechanism for the given situation. Whatever mechanism of housing support is adopted it needs to follow the following fundamental criteria:

- It has to necessarily be supporting people's housing and not a conventional contractor based approach to construction.
- The institutional arrangements and mechanisms should be transparent and accountable to the people as well as the authorities concerned.
- Cost effectiveness is essential in the provision of support.
- Support should begin at the point where people on their own cannot undertake a necessary activity or solve a problem.

The Masithembane case study, therefore, has to be seen against this backdrop for it to provide a useable learning model for People's Housing Processes - in Khayelitsha specifically - and in generally for other areas in the country where there is great need for housing and social upliftment. The People's Housing Partnership Trust needs to have as many ideas and models of best practices as possible, in order to develop strategies to significantly increase this model of housing delivery.

3. Objectives and Terms of Reference

The main objective of the case study is to provide insight into the nature of the partnership between the Masithembane Housing Association and Marnol, a private sector developer, contracted by the community to provide support in terms of Material supply and Technical assistance. The project had a life cycle which was

firstly a Mobilisation phase wherein the community organised themselves and got information about the PHP process. Secondly there was a Preparation and Approval phase where the community got assistance from a NGO to help them assess their needs, get legal status and a business plan and formulate and application to PHDB. The last phase was the Implementation phase where more of the technical and financial detail and the actual building of the houses took place. The communities' partnership with Marnol figures strongly during this stage. All three phases form the framework within which the model of housing delivery can be investigated

Within these parameters, which will be discussed in more detail later, the research documented the following:

- ❑ Workshopping of final housing design options and costs. Families are encouraged to contribute good quality used materials.
- ❑ Material supply: supply of packages of materials to each family.
- ❑ Assistance with project management of construction phase.
- ❑ Assistance with technical advice and quality supervision.
- ❑ Linking the community up with a private accounting firm who acts as Accounts Administrator.

Furthermore the case study aims to document some of the benefits that the community has received because of this process in terms of:

- Empowerment;
- Skills transfer;
- Value added to the subsidy;
- Local economic development.

Other benefits to the community are explored by looking at the level of decision making by families, the involvement of women and the nature and levels of capacity building and job creation. These objectives must be met when using the People's Housing Process principals as guidelines and culminate into some recommendations for improvement.

4. Methodology

The case study is informed by the Peoples Housing Project Guidelines. Other available material from the Peoples Housing Partnership Trust (PHPT), Provincial Housing Board, Marnol and the Masithembane Housing Support Centre was also examined. The field research consisted of 43 interviews, randomly selected of the 200 beneficiaries and 750 households on the waiting lists for phase two. The questionnaires investigated the performance of outside support organisations, impact of various decisions that were made, transparency of procedures, empowerment, skills transfer, value added to subsidy and local economic empowerment.

These interviews focused on issues such as technical detail, processes and the participants' personal opinions. With the consent of the parties involved, the interviews were recorded and transcribed. They form the basis of the understanding of the Masithembane project in this case study and from which some recommendations are drawn.

The Masithembane group has nearly completed the building of 220 units as their Phase 1 and is currently waiting for approval from the PHB for their Phase 2. The case study only refers to Phase 1. The Phases of the housing project are used to structure the analysis of the case study as follows refers to the phases through which any PHP building project can be evaluated:

4.1 Mobilisation Phase: (Interviews and background research)

- The process of the community organising themselves, the nature of the organised community.
- How did they get information regarding PHP as a vehicle for housing delivery?

4.2 Project Preparation and Approval Phase: (Documentation and Interviews)

- How were the needs assessment, packaging of the project and application activities undertaken – what did the families contribute and who did they approach for assistance?
- What was the nature of support from Municipality and the PHB?
- What was the nature of skills transfer and skills development?

4.3 Implementation Phase: (Analysis of Systems and Interviews)

- Investigate the financial systems established.
- Investigate the technical systems established.
- Investigate the material supply systems.
- Who provided labour and at what cost?
- What are the House sizes, cost breakdown?
- What are the administrative systems established?
- What are the communication systems that were established?

Within the context of the framework, the following performance indicators, measuring the partnership between Marnol and Masithembane in terms of People's Housing Process principals have been used:

- Families take key decisions.
- Primary resources are skills and initiatives of families.
- Minimum intervention, maximum support.
- Flexible and effective support.
- Simple and transparent procedure.

5. Research Analysis

Khayelitsha is one of the largest and youngest townships in the Cape metropolitan area, spread over 3372 hectares, with well over 450 000 inhabitants living on the leveled dunes. Considering that a third of its inhabitants are unemployed, many people are engaged in survival activities and micro enterprises. These local economic activities are mostly in trade, public sector, construction, repair, and transport.

The case study focuses on Site B, Section W. In this part of Khayelitsha; however, only 11% are unemployed and 68% are employed full or part-time basis. Almost half the residents in section W are under the age of 19 years, leaving only 47% as potentially economically active (20 and 57 years). The other 5% of this community

are above the age of 60 years. Most people in W have a primary education (35%), with 16% matriculated and only 6% with a tertiary or certificate education.

In the W section all plots are serviced and title deeds have been transferred to the respective residents. According to a small study conducted by DAG (Development Action Group) in 1997, 62% of all households are the size of between three to seven people, highlighting the need for multi-roomed houses. Most households comprise of a nuclear family (parents and their children) and only 20% are single mothers with their relatives and children.

66% of households in informal houses earn less than R 1500 per month (53% in formal houses). 78% of residents in the W section earn less than R 800 per month and 97% are eligible for the consolation subsidy. Despite the low income per household, 65% residents are taking part in a savings method, with 46% willing to add their savings to the subsidy amount (DAG, 1998).

The recent Grootboom ruling was a point in case where the Constitutional Court overturned a Cape High Court ruling in favour of the Irene Grootboom group consisting of about 510 children and 300 adults. The group, based in Wallacedene in the Western Cape, had been on the waiting list for subsidised low cost housing for as long as seven years. Together with their attorney, they wrote a letter to the municipality and when this failed, launched a High Court application, which resulted in the court giving some relief by ordering the municipality to provide *minimum shelter* and access to water and latrines.

This important case sets the current context and underlines the fact that we need to be clear about responsibilities of the state and what is meant by “the right to adequate housing”. This Constitutional Court finding has far reaching implications for not only the housing sector but also other areas such as healthcare, food, water and access to land. No longer are statistics that show how many houses were built or jobs created sufficient. The ruling specifically refers to the principles of developmental and sustainable governance.

The following relevant role players outside the community were interviewed:

- ❑ Tygerberg Municipality: Mr. Seth Maqethuka – Housing Department
- ❑ Provincial Housing Board: Mrs. Belinda Fortune
- ❑ Marnol: Mr. William De Villiers
- ❑ Auditors, Loubser Du Plessis Incorporated: Mr. Jaco van Rensburg
- ❑ Development Action Group (DAG): Mr. Warren Smith, Philip Phiki
- ❑ Masithembane: Miss. Vuyiswa Zantsi (community liaison officer), Mrs. Irene Magadi (secretary)

To gain further insight on the Masithembane project, two other organisations in the same area were also included in the study:

- ❑ HOSHOP: Mr. Richman Dontsa
- ❑ Masithandaze: Ms. Evelyn Ntlokwana

Mobilisation Phase:

“Masithembane was started by us.” The W section (Site B) community took the initiative and formed their own project in 1997. Sixteen community members of the W section were elected at a mass meeting, of which 10 are women. People chose these residents for their interest in community issues and because they are respected and trusted. Some of the committee members have extensive organisational experience within other community structures (church and savings groups). The community elected a community liaison officer as the project progressed. Her role was to communicate between the committee, the community, the support organizations, and the Housing Board. The committee approached their Councilor, Mr. Mbundu, and the local SANCO executive member for assistance. He referred them to DAG (Development Action Group, a housing NGO), who they contracted for assistance to gather information and undertake training. In March 1997, the Masithembane housing project was formed, with 220 families as members (DAG, 1997).

Just under half the survey respondents are founder members and have been part of the process since the project's inception. The project seems to be predominantly driven by women. People came to know of the project through neighbours, friends

and through announcements by a loudhailer. Most homeowners understand the process and have been informed through the Masithembane support centre or the community liaison officer.

Project members formed groups of between 10 and 20 members (neighbours and /or friends), to start saving and to help each other with the building of their houses. Each group nominated two team leaders, who were responsible for communicating with the committee and housing support office and the CLO, and to inform his/her group about relevant issues. The committee established a solid working relationship with the beneficiaries by giving progress reports at monthly meetings. These meetings are still organized through door-to-door visits and using the loudhailer (DAG, 1997). No participant complained about the communication system. The community seems to support and trust the leadership.

Beneficiaries chose the Masithembane project, instead of the RDP housing, because they think that the RDP houses are too small for the whole family and do not offer privacy. Furthermore, there is the perception that there does not seem to be any progress in the RDP housing delivery. Masithembane, on the other hand, not only offers them a larger home – by allowing people to save on labour work and to contribute their own material, but also offers them the opportunity to build a house of their own choice.

Project Preparation and Approval Phase:

Of interest is how the Masithembane Association utilised different role-players as their support organisations at different stages in the project. They used DAG and Marnol strategically at different stages, according to their experience and strengths. DAG is an NGO that works primarily in the housing sector and has a very good track record of working with communities helping them to organise themselves. DAG also acted as facilitator between communities and relevant authorities.

The Masithembane Housing Association mobilised themselves in terms of their geographic grouping and their vision of what they wanted to achieve before approaching DAG. This was very valuable because it is often the case that communities do not share the same vision, which can culminate in conflict or even project failure in later stages. The Masithembane Association was very clear about

what they needed from DAG. They wanted to become a legal entity with a business plan in place, have strong elected leadership and gain approval for all their members for housing subsidies. They also wanted to look at ways of innovation to get the maximum house size and quality.

Masithembane and DAG signed a contract, in which DAG agreed to assist the project in securing the subsidy funds from the Provincial Housing Board, to prepare them for the implementation, and to develop the capacity of the committee.

The PHP process makes provision for two different grants over and above the housing subsidy. The first is the **Facilitation Grant**. Its purpose is to support organisations to facilitate the communities' efforts to organise themselves as an organisation with legal status, a constitution, and a business plan. The Masithembane Housing Association made use of this amount to pay DAG, once their quotation was approved by PHB on approval of the subsidy application. The PHB generally advises beneficiaries to use certain support organisations, with proven experience in the field. The PHB was satisfied with DAG and this set the tone for the rest of the project.

The second grant is called the **Establishment Grant**, which enables the community to establish a Housing Support Centre. The amount paid by the PHB in the case of Masithembane was R570 per beneficiary multiplied by beneficiaries included in the group. This money was not distributed as a lump sum, but in batches. The first sum of money was allocated for the office and rental of premises which in the case of Masithembane, was from a community member. The Masithembane office consists of a show house. Two to three staff members worked from the office. A phone line was installed. Furniture and administrative equipment like a computer, tables, and chairs were given on loan from the PHB and must be returned after completion of the project.

DAG assessed the communities' needs, confirming that they wanted to build houses on a self-help basis (with 41% prepared to build their own house and 19% willing to take out a loan). They wanted to combine this with the same kind of government assistance which they saw in the Homeless People's Federation. The Tygerberg

Municipality initially ensured that all the plots were legally transferred to the beneficiaries' name. According to the community, the following criteria are important:

- i). speedy delivery,
- ii). to be given a choice in housing designs and building options,
- iii). a house the size of at least 45 square meters,
- iv). and privacy.

The committee required knowledge on subsidy application procedures and requirements, architectural and quality support, as well as organisational development and training skills. Other needs identified included confidence building and general organisational skills (DAG, 1998). The leadership asked for training in management, financial and negotiation skills.

The community workshops held by DAG, aimed at identifying the needs of residents and at giving them an understanding of what is achievable ("bursting the bubble") with the subsidy amount alone. They explained the self-build option, highlighting the importance of saving. Other workshops shared information about subsidy requirements and the project structure. DAG assisted the community in completing the PHB application form, as well as with setting up of the housing support centre. Through other workshops facilitated by DAG, the constitution of Masithembane was finalised. A community liaison officer, elected by the beneficiaries, was appointed and trained. Background technical workshops for the committee introduced issues of how to source local builders, identify building skills, delivery options, and quality control issues such as the drawing up of contracts with all the role players.

According to our community interviews, a high percentage of people in the completed houses attended workshops and meetings. Respondents reported that DAG provided them with information on government subsidy:

- how much more money is necessary in order to build a bigger house;
- how to save and avoid debt;
- as well as lessons on building houses (i.e. to employ community builders and let the group help with the labour work).

Participants were furthermore shown the three different building plans at workshops facilitated by Marnol.

Fifteen community builders (all male) were hired as part of the Masithembane building team. They were trained where necessary. Masithembane hopes to use them in Phase Two. They are currently economically active in the site B area, working for another similar housing projects.

To address the problem of crime in the area, which could create difficulties for the progress of the project, the community established a security committee and a neighbourhood watch. Furthermore one security officer was hired by the project.

Masithembane also asked DAG to train some of their community members as office staff, consisting of one secretary, a CLO (both women) and a construction controller. This was funded by PHPT. The support centre offers advice and information not only to the direct beneficiaries, but also to other housing projects in the area.

The empowerment and skills transfer to the beneficiaries is difficult to assess. When owners were asked whether they would be able to assist in helping someone apply for a subsidy, most answered that they would refer them to the housing support centre. Subsidy applications were filled in for a group by the office staff. From the interviews 60% do, however, feel confident that they would be able to assist someone with the building of their house and 70% think that they could find some form of labour work because of their experience in the project.

Implementation Phase:

Community interview results

- Choices: Designs and Materials

Marnol provided three house designs and owners made their choice between the 36m², 44m², 55m² plans. Some respondents felt that they did not have a real choice due to their financial constraints and a few responded that they were not given such an opportunity. Others see the Houses as gifts – they are free and therefore, they have no choice. The majority of the respondents (65%) believe that they were given a choice. Most people did not make any suggestions for different designs (60%). According to the survey, the most

commonly chosen house size was the 36m² plan (60%), with only 10% of the surveyed beneficiaries being able to build a 55m² home.

- Skills learnt, initiative taken in the empowerment of Families

Many participants are proud that the project is a community initiative and of the projects' and their success. 73% of the respondents had contributed to their house in some form or other, with only 26% not adding anything at all. Contributions ranged from as little as R 76 to R 10 000, while others paid for the windows and doors (between R 150 and R 400).

The Masithembane Association hired a team of builders. One builder was assigned to one beneficiary. The housing support centre paid the builders from the subsidy amount or from money the households contributed. Every household furthermore assisted with the construction of their house. Labour work included cooking for the builders, removing the cement off blocks, carrying blocks closer to the building site, plastering the walls, and mixing cement. In most cases the family members, as well as the other members of their own savings group, assisted the builder allocated to them by the Masithembane office. A few people hired labourers to help them.

No training of building skills was provided for household members, with only the occasional builder informally showing some people how to lay bricks. Except for one complaint, all owners think that their builder was good and worked well with him.

All respondents have been able to get advice from the Masithembane office, reporting that the office is able to help them 60% of the time, while 1% are still waiting for response.

The Masithembane Association built 220 houses and created 19 jobs: a team of 15 builders, who are currently working for another housing project, a secretary, CLO, construction controller, and security guard. The committee is functioning well and confident enough to embark on Phase Two without the extensive involvement of DAG. The support centre has been able to assist

the beneficiaries, as well as other housing projects. It is still unclear what the future holds for the location of this centre, even though it seems to play an important supportive role to other projects in the area.

It is difficult to gauge the level of empowerment of the community because no clear indicators have been set. The committee and the office staff have obviously been empowered through their training. Generally, the community seems to be proud of its achievements and their initiative, which has uplifted the living conditions of all its beneficiaries. The level of skills transfer does not seem very clear, even though the survey indicates that the beneficiaries themselves only gained limited skills.

- Level of Involvement by Women

A very large number of women were involved in the project. Ten out of sixteen committee members are women and so are two out of the three office staff members. Many of the team leaders of the groups are women. Several women were also equally active in the labour work during the construction of their houses. During the interviews the wives were usually more informed about the project than their husbands. Even though the women drove the initiative, the men are generally more financially empowered. “We [women] initially started the project and our husbands have to pay.”

- Material supply systems

Generally there were no delays in the delivery of building materials to beneficiaries or with the building of the houses. Only two complaints were noted throughout the survey about the delay over Christmas period, with a shortage of materials slowing down the process (too few blocks delivered, and those blocks were stolen). The average time of ‘completion’ (from demolition of the shack) ranged between one – three months.

The Masithembane Housing Association is responsible for checking if enough material has been delivered and to ensure that it is in good condition. Half of the respondents checked their materials according to the invoice (i.e. counting blocks).

- Problems experienced with the house

30% of survey participants do not have any complaints about their houses. The most common complaint is that the homes are not complete and that the owner is responsible for paying and installing the windows, doors, the ceiling and the plastering. Other problems mentioned by a small percentage include leaking of the roof, with sand, wind, and rain coming into the house together with dampness.

- Problems experienced with project

66% of respondents have had no complaints about the project. Generally complaints are related to:

- i). the quality of material (door and locks);
- ii) to the delivery of incorrect or insufficient materials;
- iii). as to yet unattended problems.

- Value added to the subsidy

The majority of surveyed beneficiaries believe that they could live a happy life in their new house – of which most think of as a ‘lifetime home’. The impact these houses have made on their lives is evident. Other respondents did feel that they have no real choice but stay here, since they are unable to leave, while they are still raising their children. One participant believes that his stay in his house is affected by his employment status.

To most, owning a home means no longer having to live in fear of fires, leaks and other dangers associated with ‘shack life’. Their houses are a ‘dream come true’ for many, improving their living conditions, giving them privacy and a better life for them and their children.

- Community investment:

The perception of the community is that Masithembane has built houses, which are safer, improving the lives of the community and giving them an opportunity to build houses of their choice.

- Financial investment:

50% of the homeowners believe that they would be able to sell their home. The reasons 40% have given for not being able to sell include that they have no alternative accommodation, they do not want to leave Cape Town and start a new life elsewhere, and that their children are still too young. Most participants estimate the value of their home to be between R 10 000 and R 25 000 (36%) or as much as their costs for materials and labour (20%). Some did not have any idea of the value (20%).

- Completed Houses

Most houses have been certified by the inspector from the Tygerberg municipality, as well as by the CLO and construction controller (community certifier) during the building process (80%). Houses of beneficiaries reporting problems and complaints are not certified yet.

Out of the 21 36m² Houses, 9 were certain that they would add an extension to their home to form an L-shaped house. Only one 55 m² and one 44m² house owner planned an extension in the near future. Changes that respondents planned – besides extensions – include plastering (for insulation) and painting their homes. Only 13% of beneficiaries are completely dissatisfied.

Even though 80% of the respondents feel that they are happy with the houses, they are not without complaints. Generally problems relate to the fact that they feel that their houses are 'incomplete' (despite been given the choice between a core or complete house) and that they do not have the means to complete them. The value given to the subsidy through savings is very apparent and raises the question of sustainability. Those households, who have not been able to save and contribute, are living in incomplete houses. The walls are not plastered; they have no ceiling, have no bedroom doors, and are not painted.

Generally these houses are owned by unemployed people, unable to purchase the necessary materials to complete their house so that it fulfills their needs of improved living conditions. Considering that privacy is another important factor for the community, the core houses do not seem to address this issue of privacy. It seems important that local economic development be addressed in this area to empower the owners to turn their houses into valued homes.

Role-player interview results

❖ Financial Systems

The new provision called for an Accounts Administrator, who had to be an auditor, able to reconcile the batch payments regularly, and to provide the PHB with detailed financial reports. This was a very positive initiative from Marnol, which got Loubser du Plessis as an auditing firm on board.

The Masithembane Association signed agreements with Marnol and the PHB and with Loubser du Plessis and the PHB. This strategic combination of support proved to be effective during later stages of the project. Marnol workshopped the beneficiaries, assisting them to set up an effective financial, technical and material supply system.

Loubser du Plessis had to, in accordance with the “Guidelines For Supporting The People’s Housing Process”, open a bank account for Masithembane – a legal entity. The PHB then released the payment in batches into the account and Loubser du Plessis, after reconciling it with the beneficiaries’ list from Marnol, made the batch payment to Marnol.

The PHB provided the Accounts Administrator (Loubser du Plessis) with the following details prior to disbursement of funds:

- Name of the beneficiary of the subsidy;
- The ID number of the beneficiary;
- The Secretariat of the Board’s numerical reference number of the beneficiary;
- The total amount to be credited to each beneficiary for disbursement

- The name of the certifier

The instructions mentioned above were accompanied by the names and specimen signatures of the nominated officials of the Masithembane Housing Association and Certifier, who had the sole authority to advise the Accounts Administrator of such changes with immediate effect. From time to time the Accounts Administrator received payment requests signed by the mentioned signatories in respect of disbursement of amounts stated, for particular beneficiaries. The Accounts Administrator then made the payment of the certified amounts on behalf of the Association.

The Accounts Administrator - in accordance with the PHP guidelines - produced a statement on the fifteenth day of each month, which indicated the disbursements from the account. The balance and interest accrued were also included. The disbursements were identified by a numerical reference number, which enabled the Board and the Association to reconcile the account of each beneficiary. The Masithembane Housing Association and the Certifier submitted the particulars of their delegated officials to the department before any payments were authorised by the accounts administrator. The fee for the Accounts Administrator was R85 per subsidy (excluding VAT).

Integrated into the financial process was a strong legal and auditing component. It facilitated regular communication between the role players. It is important to mention that Marnol facilitated the communication between Loubser du Plessis and Masithembane. Not many auditors would have the time to spend or would be willing to spend time holding workshops with communities. Marnol acted as a "buffer zone", helping Masithembane to adhere to legal and project management prerequisites. They also made sure that nobody could be tempted into making illegal financial transactions - satisfying the PHB and the PHP's guidelines. The Certifier, from the Association, was properly trained and in a good position to ensure that the communities' interests remained the priority.

This effective financial system has enabled the Masithembane Association

- i). to build 220 houses within the time limit of one year
- ii). to have a clean financial slate,

iii). and to simultaneously gain very useful skills

❖ Technical Systems

Marnol was appointed by the Masithembane Housing Association to give technical assistance and to supply materials from the implementation stage onwards. The housing support centre was well established, in the hands of a very capable leadership, and was functioning well as an organisation. They no longer needed the support from DAG. The PHB facilitated the agreement between the Masithembane Housing Association and Marnol.

The PHB propagates a 36 square meter House as the minimum requirement. Housing subsidies vary, but in the case of Masithembane, an amount of R9200, 00 was allocated to each approved beneficiary. The Masithembane Association decided to work out an option, whereby they add a savings portion to the subsidy and utilise any good quality materials like doors and frames from the beneficiaries' shack. The beneficiaries decided on the size of their house and added the materials they already owned to the list. This was noted in the plan on file.

Masithembane Housing Association, DAG and Marnol, workshopped the beneficiaries on house options in terms of size, roof, plumbing etc. This ensured that beneficiaries made informed decisions. When beneficiaries decided to have for example a 55 square meter house, instead of a 36 square meter house, they had to add a savings portion to the subsidy. Some beneficiaries had very little in the way of savings but wanted to have a bigger core house. They have to save monthly and finish the house incrementally.

The PHB inspectors helped the people on site. Tygerberg Municipality sent their building inspector once the house was completed to make sure that it corresponds with the house plan and municipal building regulations.

❖ Communication and Administrative Systems

The procedure of communication between the beneficiaries, their support centre and Marnol was simple and transparent. The various role players seemed to have

a very good working relationship with Masithembane. The leadership of Masithembane is very strong and balanced. There seems to be no trace of conflict that went unhanded. Marnol played an important role in the establishment of the housing support center. The support center concept is an integral part of the Guidelines for People's Housing. The support center has a filing system with a file for each beneficiary family with a detailed record of savings and materials. This acts as a point of reference to for Marnol and the local authorities communicate to beneficiaries. There is some uncertainty as to where the support center will be situated for the phase 2 building process. The Masithembane association support center has been renting premises from a private resident and will have to look for new premises.

❖ Material Supply System

Marnol delivered the materials in stages. The certifier then checked it against the batch schedule and ensured that the materials were of good quality on the beneficiaries' property. When a consignment of bricks in bad condition was delivered, it was sent back immediately.

The certifier plays an important role in the whole process. This person is responsible for quality control throughout the project. In the case of Masithembane, the certifier was a person from the community who has been trained by Marnol in all relevant aspects of certification and quality control. This ensured that the community took responsibility for the materials they paid for.

❖ Labour rates

The Government subsidy of R 9200 is sufficient to cover the labour costs for the basic 36-m² house and is an estimated amount of R 1000. The larger house however, has an amount, which has to come from the beneficiary's own savings. The 44-m² house has a labor cost of R 1500 and the 55 m² a cost of R2000.

❖ House sizes cost breakdown

The three basic house sizes that Marnol provided Masithembane are as follows:

36 m ² house @ R 9 775,00 =	60% of beneficiaries
44 m ² house @ R 12 807,00 =	30% of beneficiaries
55 m ² house @ R 14 771,9 =	10% of beneficiaries

Summary

Initiated and managed by the beneficiary households, the project fulfills the necessary PHP requirements. Families took key decisions and the primary resource was the skills and initiatives of the families. Households contributed financially and/or by assisting with the construction of their house. The Masithembane Housing Association played the leading role, receiving support from DAG and Marnol when they asked for it, without major intervention.

The second phase of more than 300 houses will soon start. The Masithembane Association has handed in an application at the Provincial Housing Development Board. Most people on the waiting list know a little about the process and at the time of the survey a meeting had not yet been held, at which more information would be shared. Almost every person on the waiting list has started saving in order to supplement the subsidy and has been given the advice to purchase materials now, rather than later when prices increase. As in Phase One, members heard about Masithembane through neighbours and wanted to know more, once they saw houses being built. Most people have been on the waiting list since January 2000. Problems they have identified with the process include that it is slow and that they do not understand why the first group did not have to contribute to the labour/builder and material costs, even though they also will only get a 36 square meter house. Most people on the waiting list hope that the Phase Two will start before Christmas.

Advice from Phase One homeowners to people who are waiting for houses:

- join housing clubs – not necessarily Masithembane – even though 18 from 30 interviewed advised to join this project,
- be patient,
- avoid bank loans,
- organise yourself to form groups and save to get bigger houses and to speed up the process,

- take the initiative and not expect that everything will be done for you;
and
- start buying own material now.

According to the CLO, Vuyiswa Zantsi, the application to the PHB should take about three to six months and she hopes they can start Phase Two in January 2001. They plan to build 300 Houses per year – 40 per month. A challenge that needs to be met in Phase Two, according to Vuyiswa, is that the project would have to deal with a wider geographical area and beneficiaries who are more widely dispersed. Many people would like Masithembane to build for them, which is very difficult because the project has limited capacity. Association encourages them to start their own projects and is available to them for advice. However, people fear that they might not be as successful. To address the widely dispersed needs of the beneficiaries on the waiting list, the committee is trying to get more people involved in their area. They also believe that they will need an assistant to the CLO and a construction controller assistant to cope with the increase in beneficiaries. The office staff's capacity and education is important because in such a sensitive project, they have to deal with a variety of problems and issues.

Other lessons Masithembane has learned from Phase One, is how they deal with members, who are unable or unwilling to pay toward the builders' fee or for material shortfalls. They have now already encouraged members to save and before accepting their application, will look over the potential beneficiary's savings history. Furthermore, they will use the joining fees to pay for labourers, who help with the delivery of materials. In the following phase they plan to work and pay in stages, waiting until the beneficiaries have paid the support centre.

Masithembane Association used Marnol as sole supplier during Phase One, but are in the process of approaching other building supply companies for more competitive prices. The biggest obstacle the project is facing in finding an alternative company is that other suppliers charge VAT, which is a burden for the beneficiaries who cannot afford to wait three months before being reimbursed. Another problem is that no supplier is willing to provide the added technical and project support that Marnol has given up to now. If they had the technical expertise, Vuyiswa argues, they could be less dependent on this one supplier only.

Compared to other housing projects, such as HOSHOP, Vuyiswa believes that Masithembane is able to deliver bigger houses in a shorter time span. HOSHOP is making their own blocks on their yard. Masithembane pays R 2.68 per block, while it costs HOSHOP R 2.98 to make one. Furthermore, Masithembane has been able to negotiate better deals with suppliers and are able to build a 36 square meter house for less money. Another difference is that each HOSHOP beneficiary hires his/her own builder, whereas the Masithembane office hires and manages a team of builders.

Vuyiswa believes that the committee (existing and new members) can take over DAG's roles in Phase Two, since they seem to have clarity and experience to be able to hold meetings and workshops. They are, however, planning to send people to DAG's specialised management, leadership, CLO, and construction controller courses. "We want to see if we can do it on our own." Phase Two will test the level of skills transfer and empowerment of the committee and the community as a whole.

According to Vuyiswa, community involvement is the most important aspect of a successful model of private support. The community needs to have a voice and be given a choice, which is respected and considered as important. The private sector, i.e. Marnol, has been able to accommodate the community half way – "They are part and parcel of what we have struggled to achieve."

6. Conclusion

Masithembane is embarking on a second and even larger next phase. If they can transcend new obstacles like geographical areas growing larger placing constraints on their administrative and technical resources and problems normally associated with new leadership, they can be successful. They have a very good working relationship with their technical and material support partner (Marnol). The Masithembane leadership is also planning to use DAG in the phase two processes to do specialist leadership, managerial and technical training. If the role-players can continue working towards the same goal and even coordinate their efforts; it could bring about substantial benefits for all involved.

The Masithembane case study would only really be complete if a follow up study in one years' time is done. The beneficiaries can then be re-interviewed and a profile could be set up to evaluate the projects' sustainability in terms of the economic status of the Masithembane group of beneficiaries, the status of the houses and the support center. It would also be helpful to see if Marnol is still involved and in what capacity.

In the light of the Grootboom ruling, Local Government, Non-Governmental Organisations and other Development agencies need get involved to ensure that integrated development extends beyond simply delivering a house. Private sector involvement is crucial, but there needs to be checks and balances built into PHP processes to ensure a holistic development approach to also satisfy the communities' livelihood and service needs. Central Government needs to play a greater role in putting the PHP processes into their IDP plans to ensure a holistic development.

7. Recommendations

- Many owners were unsure of the value of their house, which highlights a possible training need. The training that DAG normally provides to projects after the completion of the houses may address some of the issues. What the Masithembane members did not learn (mostly because of the early exit of DAG) was home ownership education, dealing with patent defects, inspection, and maintenance training. It will therefore be useful for any private sector partner and community organisation to keep an developmental orientated organisation involved throughout the project.
- The Masithembane project is a successful community driven project because of its strong leadership and well functioning communication system. Meetings are held on a regular basis to keep the community informed and involved. Many of the beneficiaries did not stay involved and there should be more focus on using the existing organisation as a vehicle for further development.
- By using a team of builders and one supplier, Masithembane has managed to avoid some quality concerns other housing projects are faced with. The team of builders has been selected on behalf of the beneficiaries according to selection criteria. The supplier also guarantees the quality of the building material, which is not the case in other projects where the people manufacture the materials themselves. However, the quality control is limited to structural requirements and minimum standards only. A follow up study will be able to assess whether those standards and criteria were sufficient. Independent quality control is also needed to maintain and approve building standards.
- The way in which the community mobilised themselves under good leadership - involving DAG and Marnol strategically at different stages of the project, keeping good contact with Tygerberg Municipality and the PHMB - is the key to the success. The focus must not be allowed to shift from people development to private sector driven delivery. The association must be made aware of the need to conscientise their members to the pitfalls of an all out developer driven process. They have to be made aware of the need for them to integrate all their

actions into a developmental purpose. To just get a house and not have a job or education for your children is not sustainable development. The project was ultimately about housing delivery and did specifically that. This is a strength but also a potential weakness. There is a question to be asked about sustainability and a holistic approach to development. This question is not for the Masithembane group or Marnol. Housing can be a platform and even an opportunity for an integrated development approach. **This means that issues like health, poverty, economic empowerment, and housing are all interrelated and must be addressed specifically, simultaneously and together.**

- Central Government should become more involved in ensuring that the IDP process is actually taking place within the housing delivery system. If this is not done, the whole process will have to be repeated over and over until our precious few resources can no longer provide to the poor. Linkages between different spheres and tiers of government are the key to this. Capital and operational budgets need to be realigned to this developmental perspective.

APPENDIX