

**Tsolwana Municipality  
Tarkastad Administration Area**

**Peoples Housing Process – Good Practice Case Studies  
Outstanding Features – Project Systems**

**Report prepared by Development Action Group  
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## **1. Background to the project**

### **1. Program of field study**

#### **Day 1:**

- Presentation by and discussion with Support Organisation representatives
- Meeting with the Accounts Administrator
- Visit to the Housing Support Centre and the housing development areas

#### **Day 2:**

- Visit to the brickyard and meeting with members
- Meeting with the Support Committee
- Meeting with the Housing Support Centre Staff
- Meeting with beneficiaries at their houses
- Meeting with a building team on site

### **2. Stakeholders we met**

- **Beneficiary community**
  - Beneficiaries – a group from one area
  - Support Committee – 3 members
  - HSC staff – the Administrator and the Assistant Project Co-ordinator
  - Building team leader
  - Brickyard members
- **Local authority:**
  - Community Services - Housing Project Co-ordinator (on leave – participated for a short period during Support Organisation presentation)
  - Technical Services - Certifier
  - Treasury - Accounts administrator
- **Service Providers:**
  - Urban Upgrade and Development Program (UUDP)

### **3. Location and basic description**

The Tarkastad PHP program is located in the town Tarkastad, specifically in Zola – the “black township”, and Ivanlew - the “colored township” established under the apartheid group areas act.

Tsolwana is a rural municipality co-ordinating and providing services to two small towns, (Tarkastad and Hofmeyer), a number of settlements, farms, and areas under tribal authority. It is situated between the two parallel N6 and N10 roads, near Cradock and Queenstown and lies approximately 350kms from Port Elizabeth and 320kms from East London. Tarkastad functions as an Administration Area, one of 5 in the Tsolwana Municipality

Tarkastad is a small rural town providing the surrounding farms and tribal settlements with very basic commercial, financial, education, health, municipal services, and nominal employment opportunities. It is equidistant on the regional road between Cradock and Queenstown where the next level of services can be accessed.

Tarkastad town is divided into 3 areas as per the old group areas act – Tarkastad (white area), Ivanlew (coloured area) and Zola (black area). It is a changing town – the central commercial part of town is falling into disrepair and buildings seem disused. There is no evidence of development taking place at the commercial or Tarkastad residential level. Economically it feels depressed. Basic maintenance is being done – i.e. roads.

However, in the townships of Zola and Ivanlew housing development is taking place, as well as the upgrading of bulk services infrastructure, and community facilities. A new green fields housing area - approximately 1000 sites (?) is being prepared that is being located in the old buffer strip – open land on a hill between Zola and Tarkastad.

Housing is being constructed under the PHP program as well as people with formal housing extending and developing. Areas with informal shack settlements lie on the outskirts. Informal housing is also present on serviced sites.

### **Settlement layout, facilities and services**

Zola is currently geographically separated from Tarkastad by the buffer strip (where the new green fields housing is being developed with bulk infrastructure under construction) and located on the other side of a low rise – no visual connection between the two areas. Ivanlew is attached to the edge of Tarkastad but with one access road into the area.

Only the main entrance and ring road is tarred, with the balance compacted gravel roads. High mast lights provide street / area lighting. Most sites have a water point and electricity to each site. In some extension areas these have not yet been installed. A mix of sewer systems – waterborne, pit, and bucket are provided. There has been little attempt to green the area by residents and the local authority.

The facilities we observed in the area are the standard township type – schools, community halls, under-developed recreation and public open space, home spazas, and home based small enterprises.

### **The PHP project areas**

The PHP project in Tarkastad is located in five different areas – Zola: areas 1 and 2 (309 subsidies), Zola: Area 3 and 4 (260 subsidies) and Ivanlew (102 subsidies), totaling to and named “the 671-subsidy project”.

The project is providing housing in greenfields (on the edge of existing), insitu development (serviced sites), and the upgrade and extension to self build houses on serviced sites.

The housing provided prior to 1990 is being made available to families to be transferred to them as part of the discount benefit subsidy scheme.

New site sizes vary from approximately 90m<sup>2</sup> to 150m<sup>2</sup>

#### **4. Project initiators and reasons for starting. (Who started the project and why?)**

In 1998 engineers secured the contract to provide a development plan for housing in Tarkastad and to submit an application to the Provincial Department of Housing to be funded by the Project Linked Subsidy.

The information gathered as to how it was that outsiders initiated the project was that consulting engineering firms would drive around rural areas and ascertain which rural towns had high housing needs and backlogs. They would then approach the local authority and offer to prepare an application on the basis of receiving the contract to implement.

#### **5. The main participants**

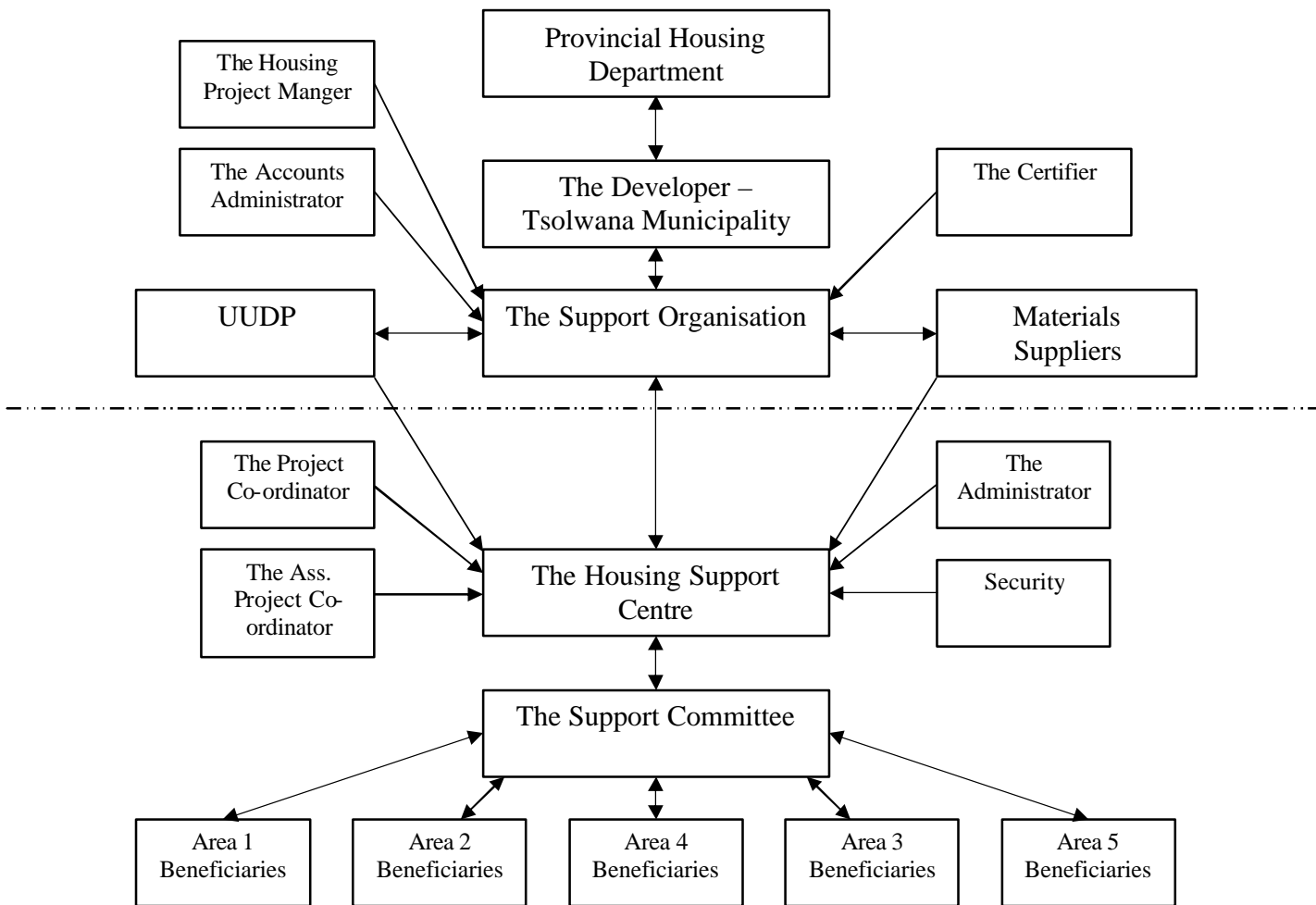
##### **Beneficiary Community:**

The main participants from the beneficiary community are the residents with support, advice and representation coming from the Ward Counselor, the Support Committee (2 reps per 5 areas) and the Housing Support Centre. Local building teams and emerging contractors provide labour for the construction process.

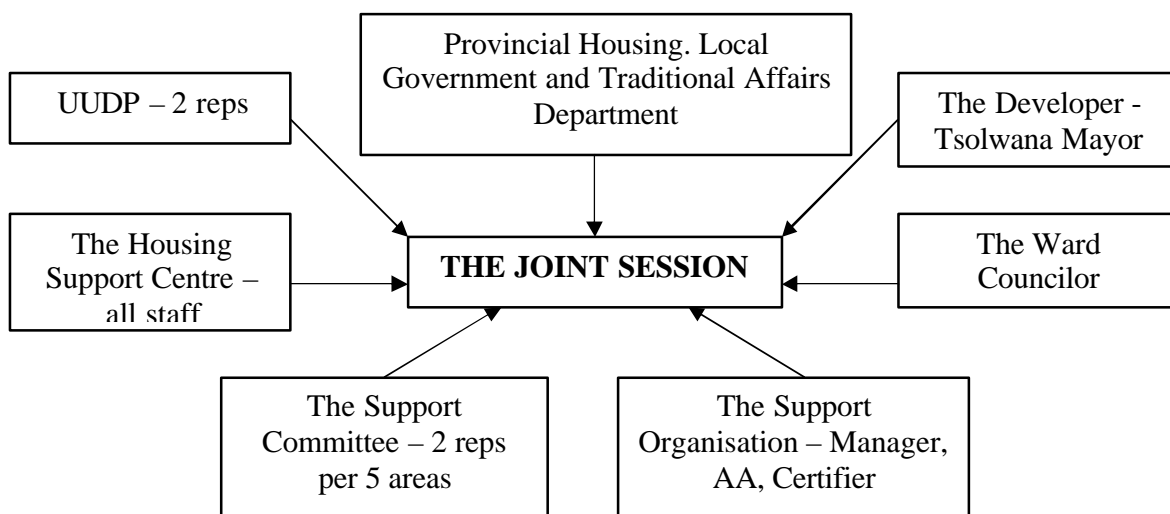
The Tsolwana Municipality plays the role of the Developer and the Tarkastad Administration Area the Support Organisation, which provides beneficiary, technical, financial, co-ordination, management and administration services.

External services have been contracted in to provide technical and capacity development expertise, building materials supply.

### INSTITUTIONAL ARRANGEMENTS



### THE STAKEHOLDER FORUM –Highest decision making structure



## **6. Project lifespan**

- The project was initiated in 1998 with the planning of the housing development and the submission of an application by an engineering firm.
- The project was approved in 2000 based on the availability of funds. The consulting engineers were employed as project managers for the installation of services.
- The project was then converted later in 2000 from Project Linked to PHP, the second in the Eastern Cape after Uitenhage.
- At this stage there was still no participation of the beneficiaries in the housing development process.
- Funding for top structure development was finally made available in 2002.
- In 1999 the Urban Upgrade and Development Program (UUDP) was granted funds by GTZ to facilitate housing development and related infrastructure in the Eastern Cape and Free State Provinces. UUDP was engaged by the Tarkastad local authority to facilitate the PHP housing development program.
- A group of local builders and people interested in acquiring building skills were sent on an artisan-training course.
- Show houses were built with trainees to demonstrate the types available and to allay fears that the trainees had sufficient skill.
- The PHP Business Plan was submitted in 2002
- Construction began in August 2002 in one area to pilot the procedures and systems set in place.
- By October 2002, 100 houses had been completed and by May 2003, a further 80
- A project evaluation was held in January 2003 to assess progress and plan for the next phase of implementation. Preparations for phase 2 are underway – securing authorisation to proceed with 200 subsidies, preparing beneficiaries, materials and labour agreements.

## **B. Description and analysis of the outstanding feature** **Systems Development**

### **1. Introduction and description of procedures and systems**

The local authority was not well informed as to PHP programs and did not have the capacity to support such a housing development. The Urban Upgrade and Renewal Program was contracted to assist with this capacity development and technical expertise.

UUDP is a project that provides services to secure project funding, technical advice and support, capacity development, and to structure relationship and link between the municipality and the province.

A program was developed by UUDP to facilitate the development of capacity in the local authority to act as the Support Organisation. UUDP was key in designing procedures and systems to enable the management and administration of a PHP program.

The local authority also undertook a number of site visits to other PHP projects to learn about the approach and the process.

Project procedures and systems were designed by the UUDP in consultation with the local authority, and also through discussions with the beneficiaries as to what would be needed. It was agreed that these would be tested on Phase 1 – the first 150 houses.

An evaluation of the project's phase 1 (150 house target) was conducted where the process, procedures and systems were assessed in depth and proposals for strengthening them were discussed. Re-planning based on the outcomes of the evaluation are still taking place.

### **The procedures and systems in operation**

#### **Beneficiary community:**

Potential beneficiaries were informed of the process and its requirements through a series of general meetings and the following areas were covered

- Meeting 1 - What is PHP?
- Meeting 2 - Project design (Construction methodology - self built or assistance by the project); Material supply and delivery; House design
- Meeting 3 - Report back on the categorization form.

Beneficiary representation was elected at the first meeting where the 5 different areas caucused separately and 2 people proposed to constitute the Support Committee.

Beneficiaries were asked to complete a “categorisation form”, which profiles their data and needs. This data was used to complete subsidy applications, which were then submitted by the Support Organisation.

The roles and responsibilities of the beneficiaries were outlined as follows:

- Choose house type
- Choose construction method – self build or project assisted with the building team
- Monitor and ensure that builders are the right ones allocated to their house
- Ensure quality of construction
- Be responsible for the receiving, safety and quantity of materials delivered to site
- Report and discuss problems with the HSC staff
- Sign a Happy Letter on completion

Once a beneficiary's subsidy had been approved, they liaised directly with the HSC staff on the finalisation of house type, materials lists, building team and construction support.

General meetings were set up take report backs from Joint Session meetings on progress, problems, and amendments with regard to the procedures and systems, or when the need arises to consult on issues. These have not taken place after every Joint Session, nor have any special meetings been convened.

**Technical – house design, the Housing Support Centre, materials procurement, and construction procedures and systems:**

- **House Design**

Initially there were 2 standard 40m<sup>2</sup> plans provided by UUDP and workshopped, which were then developed into 4 standard plans with a Bill of Quantities. Beneficiaries have the option of providing their own house plans. Houses could be built with either bricks or blocks.

If there are variations on the standard plans, the HSC assists with the calculation of the cost variance and finalisation of the materials buying list. The beneficiary provides their own replacement or additional materials, or submits additional capital to the local authority for the purchase of specified materials.

Provision was also made to reduce the house size to 35m<sup>2</sup> for beneficiaries who did not have any additional resources to add.

The standard plans that have been prepared are very basic and do not meet the National Building Regulation requirements. There has been no plan approval process by the local authority.

- **The Housing Support Centre**

The key function, roles and responsibilities of the HSC is to provide support to the beneficiaries around the construction implementation phase and to be an on site service and to link to the Support Organisation.

Procedures and systems have been set in place to assist the management and administration of the beneficiaries' house choice, materials ordering, storage, security and deliveries, building teams, construction scheduling and monitoring, and quality control.



The HSC team meets daily to plan and assign daily tasks. They do not handle any cash – savings, or money for materials, which is submitted to and invoiced by local authority.

Progress and problems are reported to the Joint Session meetings.

- **Material Procurement**

Calls were made for quotations instead of tenders from local materials suppliers. This enabled a strong bargaining base. Based on prices, availability and quality of material, a range of suppliers were contracted to supply to the local authority on behalf of the beneficiaries. All the suppliers except the brickyard and block makers were established businesses.

A project order was placed in bulk for the first 150 subsidies and as per construction program; beneficiary materials orders were placed as per 3 stages of house construction – to slab level, to wall plate level and roofing as per standard materials list for each house type or with variations.

Sand, stone, cement and bricks / blocks were delivered directly to site. The other materials were delivered to the Housing Support Centre. The HSC is responsible to then deliver these materials to each site as needed. The local authority provides a truck.

For the Tarkastad Brickmakers Association, separate procedures were established – a standing order of 500 000 bricks per month to be supplied. As this is a new enterprise consisting of 16 groups with approximately 5 members per group, they are receiving support from UUDP and the local authority to facilitate their development.

- **Construction**

**The building teams**

The Support Organisation called for a skills audit in Zola and Ivanlew to assess the availability of building skills. 90 people underwent training with the Border Training Centre. Post training, building teams were registered with the Support Organisation and contracts signed.

The building teams were initially only given a few houses in order to be able to assess quality and speed on construction. On this basis a building team list has been compiled. Contracts are signed for 5 – 10 houses at a time.

**Quality control**

The Project Co-ordinator visits each house under construction everyday to monitor progress and quality and liaises with the Certifier for final inspection and certifying completion. The beneficiary then signs a Happy Letter. Quality issues are dealt with immediately on site.

- **Financial:**

Once the PHP project had been approved, subsidies for the first 350 beneficiaries were applied for, approved and deposited into an investment account. The Establishment Grant is also held in an investment account. When funds are required to be paid out for materials, labour and services (subsidy account) and for establishment and running costs of the Housing Support Centre (PHP Establishment Grant account), capital is transferred to the separate current accounts. Invoices are submitted, checked and paid out.

Monthly reports are submitted to the Province around progress and a detailed account of expenditure. Interest on the investment is also paid out.

The financial clerk does materials and labour invoice reconciliation on the submission of the invoices and delivery notes from the HSC. Suppliers are then paid.

Authorisation for the expenditure against subsidies has to be gained from the Province once all the preparations for the next phase have been completed even though the project subsidies have been paid over to Tsolwana Municipality. This authorisation can take up to 2 months which impacts on the progress rates.

- **Institutional arrangements**

Roles, responsibilities and functions of the different structure and forums have been workshopped, and systems put in place for the following key structures to implement a PHP program:

**The Support Organisation**

- Co-ordinating and managing the implementation of housing program
- Performs specific functions of Accounts Administrator and Certifier
- Does not take decisions but can forward recommendations to the Joint Session

**The Support Committee**

- To mobilise residents for housing development
- To represent the beneficiaries at the Joint Session
- Provide support to the HSC

**Stakeholder's forum – the Joint Session**

- Highest decision making body
- Co-ordinates, strategises, develops procedures and systems, monitors and reports progress, addresses problems and resolves conflicts.

- **Administration and management**

The two key areas where daily administration and management functions are being performed are at the Support Organisation and Housing Support Centre level. The following systems have been put in place at:

- The Support Organisation
  - Project Subsidy application
  - Beneficiary data
  - Filing systems
  - Materials ordering
  - Construction scheduling and monitoring

- Financial accounting and reporting
- Technical support and inspections
- Contracts and agreements
- Housing Support Centre
  - Beneficiary - categorisation form, house type, materials list, budget
  - Materials – receive, store and dispatch – quantities and quality
  - Labour – allocation of building teams to beneficiaries, quality control
  - Problem and conflict resolution

## **2. Outstanding Features in the Project Systems Process and Product**

The local authority was able to acknowledge that it required support to develop capacity to run a PHP housing program. UUDP was contracted in to develop capacity and provide technical advice, and to design procedures and systems.

New skills and capacities have been developed in the areas of housing project management, building skills, and small enterprise development and management.

Procedures and systems were designed only where and when needed to facilitate the necessary activities in the different areas in the project – financial, technical, beneficiaries etc. As implementation progressed and systems tested, these were added to and amended when needed. Simple systems and forms were designed.

Clear roles, responsibilities and functions were identified for the different committees, officials, HSC staff and beneficiaries. Job descriptions and criteria for employment were developed. Contracts and agreements for the provision of the different services are in place – materials, supply, building teams and emerging contractors and the HSC staff.

Institutional arrangements and partnership relationships have been established and are running. Lines of communication, reporting and accounting identified and established

Monitoring and evaluations are taking place to improve performance and practice – not avoiding mistakes and weaknesses

The Support Organisation, located in an under-resourced and under-capacitated local authority, is able to implement a PHP housing program albeit slow and not without problems and many challenges.

Economic opportunities have been created through the establishment of the brickyard and building teams, the building materials suppliers, and the housing support centre.

## **3. Factors that Enabled Success in the Project Systems Process and Product**

- The provision of advice, support, capacity development and technical input from UUDP to a local authority undertaking a PHP program for the first time.

- A core team of officials, HSC staff, beneficiaries and a support service provider that is committed to the process from.
- The brick yard groups taking a decision to cut brick prices to support the PHP program.
- The design and implementation of specific procedures and systems to enable the smooth functioning of a housing development program
- An evaluation program has been conducted to reflect on the housing program in general and the efficacy of the procedures and systems. Re-planning is in progress to address weaknesses.

#### **4. Assessment**

- Procedures and systems are only as good as the people who use them. Users need to understand the overall system and where their particular pieces fit in and used correctly and purposefully. Meeting cycles at Joint Session, Support Committee and beneficiary level have not been maintained. Systems management, filing and retrieval systems need to be improved. We were unable to easily access information and view the different systems in action.
- Participation and ownership of the process is essential for the design and implementation of procedures and the use of the systems.
- There is low person power capacity – officials had to add PHP tasks to existing job descriptions, and insufficient capacity development skills available – training, organisational development, organising and mobilising. The understanding of development principles and capacity to facilitate processes that engage the beneficiaries to be a greater participative force.
- The availability of and access to resources needs to be increased with capital allocations for development projects, staffing, computers, and a bukkie.
- The availability of technical expertise needs to be increased – building inspections, draughting, materials quantification
- The house design process and choice was limited and not really developed by beneficiaries. Some beneficiaries did not come to the office to select plan types so were chosen for them by HSC staff
- A buy-in from all the stakeholders comes from being mobilised and motivated to be active participants, which is necessary to ensure a smooth process.
- The Technical Manager, allocated the role of the Certifier was employed late 2002, has had no induction into the PHP process or with roles and responsibilities being clearly outlined. Hence, regular inspections, and the certification process has not been effectively implemented – occupancy certificates not filled out, “happy letter” not signed.
- There are some unclear and undefined procedures – i.e. what criteria for getting house built when – first or last - no criteria other than a resolution that those houses being built “from scratch” would be given priority
- All agreements are between the Support Organisation and service providers (labour and materials). Beneficiaries have had no role in this process.
- There are a lot of breakdown in terms of implementing and following procedures (inspections toward certification), and using systems (preparing reports).

- On observation, there is a dependency on UUDP services and expertise which is coming to an end in December 2003.

### **C. Evaluation of the PHP framework of this project**

#### **1. Character of the project stakeholder's relationship**

All the necessary institutional arrangements were designed, set up and agreed on. The frameworks were put into practice. However, they have not been effectively applied. Some attempts to rectify this have been tried especially with the participation and support of Province.

The links between the SO and the SC are open, and support and advice sought and given. Links between the Province and the Joint Session are nominal. A feeling of having been abandoned is strong.

There is reliance by the Local Authority and Support Organisation on the UUDP on providing the necessary inputs, design of procedures and systems. The Support Organisation is neither playing the leading role nor being proactive in engaging the beneficiaries in a dynamic housing delivery program. The beneficiaries' lack of participation could be due to self-motivation and / or the facilitation process.

#### **2. Problems due to the implementation framework**

The chosen implementation framework, as outlined in the descriptions, meets the specific conditions in the area. However, lack of capacity, skills and motivation at all levels hinder its reaching construction targets.

The isolated geographic location, an economically depressed town environment, and high levels of poverty all impact on the ease with which projects can be implemented.

#### **3. Problems due to the way this framework was interpreted and / or operated in this case**

There is a perception that the Province interprets the PHP program solely on the basis that the construction process is exempt from the NHBRC route.

The Support Organisation views the PHP as a program where the beneficiaries "are in control" of the process but do not necessarily have to build the houses through sweat equity, and can be supported and advised on all aspects of the program.

The project process procedures and systems were designed and facilitated by the UUDP on this understanding.

However, key to the success of being a project that is truly in the control of and driven by the beneficiaries, they must lead, own and be active participants.

#### **D. General comments**

- With Housing Project Co-ordinator on leave
  - We were unable to discuss in depth the overall and daily process, procedures and systems, strengths, weakness and problems
  - The task of organising our field study was passed on to the Technical Manager – our observation - poor information sharing, and teamwork, as he was unable to extract information, answer many questions etc. There seems to be an inability to step into others shoes if needed (only the Housing Project Manager has received training on PHP)
- The issue of equity redress is absent viewing the town as a whole - townships remain townships with choice of residential location limited; and the distribution of resources to poor municipalities for development. There is no increase in the economic opportunities provided and integrated development process. An Integrated Development Plan has only now been prepared.
- The demand for low-income housing is on the increase, evidenced by the green fields project under preparation. There appears to be an influx of people being moved off the farms and leaving the tribal settlements where there are no economic opportunities and a lack of development.
- Poverty levels are high and this impacts on no or nominal available capital for housing development beyond the subsidy. There has been no socio-economic profile on the beneficiary community.
- There appears to be low beneficiary participation. There is a need to mobilise and organise beneficiaries to be proactive participants and in control of their own development. The Support Committee has diminished, some dropping off once their house has been built, two have passed away but there has been no process to co-opt new members.
- The PHP program is not an owned process by the beneficiaries with a top down approach. There is an overall sense of a depressed environment – no spark, or drive.
- Approximately 98 % of the beneficiaries opted for the project to build their houses. 2% opted to build their own houses.
- With the UUDP contract ending in December 2003, the test on what capacity has it transferred will be evident.
- In rural areas where there are low resources and capacity the Province needs to provided more support and follow-up.
- Brick supplies hampered progress – emerging enterprise with nominal capacity development, support or resources – have cut process to half of other local suppliers to assist and support the PHP process but this does not enable the generation of sufficient surplus to develop the enterprise – members do not even receive a living wage.

Amidst all these difficulties, achievements and progress is taking place – development is happening around infrastructure needs, institutions in are place to co-ordinate and manage, housing is being built, jobs are being created, and skills are increasing in building and housing development management.

## **E. Appendices**

### 1. Samples of forms made available:

- Beneficiary
- Materials
- Labour
- Financial
- Contracts
- Job descriptions
- Progress reporting

### 2. House plans