

**Case Study: Best Practices of the
Department of Human Settlements
Republic of South Africa:**

Monitoring and Evaluation

Tineke Lambooy & Yulia Levashova
8 August 2012

Contents

Introduction.....	3
Section 1: From ‘Department of Housing’ to ‘Department of Human Settlements’: “Broadening the Focus”	5
Section 2: Cooperation with Stakeholders: “Paving the Way for Better Housing”	6
Section 3: The Structural Approach: Templates and PlanningImplementing Risk Management	8
Section 4: Effective Oversight of Projects and Allocated Funds.....	9
Section 5: External Input in Monitoring and Evaluation: Dialogue with Citizens.....	12
Section 6: Further Improvements: Impact Assessment	13
Conclusion	14

Introduction

The **'Department of Human Settlements'** (hereafter: "DHS") is the department of the Republic South Africa that is responsible for housing and urban development. Its mandate is based on Section 26 of South African Constitution. Section 26 enshrines the inalienable right to housing:

*"(1) Everyone has the right to have access to adequate housing.
(2) The State must take reasonable legislative and other measures within its available resources, to achieve the progressive realization of this right".*

Further, the DHS functions in accordance with the Housing Act 1997 (hereafter: 'the Act'). The Act provides that the „Minister of Human Settlements“ determines the national housing policy, housing programmes and funding by means of legislation and the Housing Code. As stipulated in the Act, the main goal of the DHS is to introduce housing programmes that provide access to adequate housing for poor households. Many housing programmes were already established. The 'Housing Programme' introduced in 1994 underwent major revisions which led to the creation of the „Comprehensive Plan for Sustainable Human Settlement“ (hereafter: "Comprehensive Plan") that was approved by the Cabinet in 2004. The Comprehensive Plan shifted the focus to improving the quality of housing and housing environments by integrating communities and settlements. Additionally, it established a number of minimum standards for housing products, thereby improving privacy and sustainability by providing for the development of a range of social and economic facilities in housing projects.

The DHS is structured in the following way. The national department works in co-operation with the provincial governments and the municipalities. The provincial governments have their own Human Settlements departments. There is a clear separation of roles and responsibilities between the DHS and the provincial authorities. The national department is responsible for the macro planning, that is the coordinating of policies and programmes, legislative initiatives, monitoring and funding. The provincial human settlement departments, in cooperation with the municipalities, are responsible for the implementation of the programmes, policies and legislation developed by the DHS.

The vision of the DHS is to set up viable, socially and economically integrated communities, located in areas allowing convenient access to economic opportunities, healthcare, education and social amenities. The objective is that all South Africans have access to:

(1) Permanent residential structures with secure tenure ensuring internal and external privacy and providing adequate protection against the elements,

and;

(2) Potable water, adequate sanitary facilities and a domestic energy supply.

The above vision is supported by principles of sustainability, viability, integration, equality, reconstruction, holistic development and good governance. Furthermore, the housing policy and strategy aim to contribute to a non-racial, non-sexist, demographic integrated society.

DHS was evaluated by the „Department of Performance Monitoring and Evaluation“ (DPME) via the „Self-Assessment Module“ of the „Management Performance Assessment Tool“ (MPAT). The department was evaluated with the MPAT Framework from the perspective of human capital (people), financial resources (budget allocation), and facilities. Each department is responsible for a set of core competencies. These are broadly categorized as the four 'Key Performance Areas' (KPA), namely, (i) Strategic Management, (iii) Governance and Accountability, (iii) Human Resources and Systems Management, and (iv) Financial Management. DHS was nominated as a 'best practice' department in the KPA „Strategic Management“, within the performance area of „Monitoring and Evaluation“. DHS scored a '4' for this performance area. This is the highest score, which indicates that all the requirements were fulfilled. Actually, DHS performed even better than required in the context of this KPA. The goal of this case study is to understand the success factors in the field of Monitoring and Evaluation and to extract the best practices from the DHS example in this area.

This case study will attempt to unfold the motivations, ambitions, visions and outcomes of the DHS in the field of Monitoring and Evaluation. Best practices will be identified so that they can be applied by other departments.

The research team consisted of Tineke Lambooy and Yulia Levashova of Nyenrode Business University - Center for Sustainability, in the Netherlands, and Khanyisile Cele, employed by the DPME. The team worked on understanding the success factors and the challenges faced by the DHS and evaluating the documents and reports provided by the DHS in the context of the MPAT. In addition, three interview sessions were conducted with key DHS managers. Tineke Lambooy, together with Victor Naidu, Khanyisile Cele, Desiree Jason and Phazamile Dumiso (also employed by the DPME), interviewed key managers at DHS during the first and second interview sessions. The third interview was conducted by Annatjie Moore, Henk Serfontein and Khanyisile Cele, all three employed by the DPME. During the interviews an atmosphere of trust was established, where staff members could openly talk about their experiences, ideas, policies and goals with regard to the KPA concerned.

In the case study the real names of the interviewees will not be revealed. Fictional names will be used to identify these interviewees. The following team members of the department were present during the first interview: (1) Baruti - Acting Chief of Operations of the DHS; (2) Anna - Director responsible for Impact Evaluations, and (3) Kimberley - Chief Director, responsible for Internal Audit, Risk Management and Special Investigations. The second interview was again with Kimberley. The third interview was attended by: (1) Baruti, (2) Anna- Director responsible for Impact Evaluations and (3) Henrik - Deputy Director General (Policy and Research).

Section 1: From 'Department of Housing' to 'Department of Human Settlements' : "Broadening the Focus"

The impact of the monitoring and evaluation practices at the DHS cannot be underestimated. The goal of monitoring and evaluation within the DHS is to assist in developing and promoting human settlement policies, based on the policy agenda of the department. This case study focuses on non-financial monitoring that is oriented towards citizen service deliveries performance.

This has an important role in evaluating the implementation, the allocation of funds for and the monitoring of the housing policies and programmes. The department's role in housing affairs has evolved over time due to its monitoring and evaluation system.

In the past, the DHS was called the 'Department of Housing'. The purpose of this department was to provide housing for the poorer citizens of South Africa. The mandate of the department was limited and did not include the necessary services associated with housing needs, such as drinking water, sanitation, infrastructure, etc. Due to the continuous monitoring and evaluation practices of the department, the focus and the objectives of the DHS were broadened and amended. During the evaluation of the department's policies and programmes, it became clear that, in addition to housing needs, basic services such as access to drinking water should be linked to and included in the housing programmes and policies. Therefore, the department was renamed as the „Department of Human Settlements“ and the objectives of the programmes were amended to: (1) achieve sustainable human settlements and (2) improving the quality of household life. As Anna emphasised: [complimentary to housing needs] “we strive to ensure that basic amenities are available in the communities, so that people do not have to travel to obtain education or to get to a hospital.” Therefore, the funding of the DHS has been expanded to cover sanitation, water connection and assistance in acquiring the ownership of the house in question in order to promote asset ownership of citizens. The goal of the case study is to define best practices in the monitoring and evaluation activities of the DHS. To reveal these best practices, this case study will attempt to provide an overview of the most important Monitoring and Evaluation tools of the department.

Section 2: Cooperation with Stakeholders: “Paving the Way for Better Housing”

The role of the DHS is no longer limited to building housing facilities. Nowadays the mission of the DHS also includes the building of community building and support and assistance to various organisations. For this purpose, additional „Units“ were required.

The „Project Management Unit“ was recently established based on the identified need by the National Department to be able to have updated information about human settlements projects around the country at all times. In the past there have been situations where the department was unaware of problems and challenges in particular projects and hence the establishment of this. The Unit also exercises control and oversight of all DHS projects across the country. Further, the PMU provides assistance on both the provincial as well as the municipal level in terms of skills and capacity. The function of the Unit is to know all the “ins and outs” of all the DHS' projects. For example, the Unit assists in ensuring progress in the construction of houses under the „Reconstruction and Development Programme“ (hereafter: „RDP“). Furthermore, the Unit provides the necessary staff for the project management inspections during the construction process. This is a very important function because at the provincial level, where the projects are implemented, there is a shortage of regular inspections. The „National Home Builders Registration Council“, which is a support organisation that works together with the Project Management Unit, only inspects projects when the construction work has already been completed.

In order to ensure an effective oversight over the projects in all areas, provincial offices of the Project Management Unit have been established. The Project Management Unit cooperates also closely with the municipalities to ensure that the projects are successfully implemented.

In building communities, the DHS involves other government counterparts. For instance, the „Department of Health“ collaborates with the DHS to ensure that hospitals and clinics are integrated in the community infrastructure, the „Department of Education“ works together with the DHS in building schools and the „Department of Community Safety“ provides for police stations in newly created housing areas.

Best practices in the area of communication with stakeholders include (1) the establishment of the Project Management Unit that enhances better cooperation between the national department DHS, provinces and municipalities and (2) collaboration with other national departments for the purpose of building communities.

Section 3: The Structural Approach: Templates and Planning

In many areas the DHS functions on the basis of guidelines and templates. This structural approach ensures effective and transparent work within the organisation. The department has adopted „Planning Templates“, also referred to as „Business Plans“. These Business Plans contain measurable indicators in terms of financing and construction for each programme. The Business Plans are prepared by the provinces and they indicate what the plans for human settlement projects are. The Business Plans are linked to so-called „Reporting Templates“, which include the planning process for the activities of provinces and municipalities. The DHS revises both types of templates on a regular basis in order to keep them up to date.

The planning strategy of the DHS regarding the construction of housing zones was characterised by Baruti as “bottom-up”. This means that the municipalities initiate and indicate the housing needs, and not the national department. A structured procedure has been set up for this process. Each municipality drafts an „Integrated Development Plan“ in which it includes the vision for that particular municipality. This Plan is a comprehensive document that also contains a chapter on housing and human settlement programmes. This Plan is subsequently merged into the „Provincial Plan“. Each provincial department of human settlements designs a so-called „Provincial Human Settlements Plan“ (hereafter: „the Plan“). The main elements of the Plan are taken from the Integrated Development Plans of the different municipalities. In the final stage, each province presents its Plan to the DHS, where it is discussed and adopted with the allocated funding or recommendations made for amendments. At the national level, specific attention is paid to the assurance that the human settlement programmes are in compliance with the national „Outcome 8“ (that is: sustainable human settlement and improved quality of household life).

The best practice extracted from the structural planning of the DHS is the presence of various templates and plans the goal of which is to ensure the implementation of designed outcomes in the sphere of human settlement. The national human settlement plan has been developed bottom-up: it consists of elements contributed by authorities at the different public levels: municipalities, provinces and national.

Section 4: Effective Oversight of Projects and Allocated Funds

The DHS has developed a number of monitoring and evaluation mechanisms which help to ensure the performance delivery of the housing projects. One of these mechanisms is the electronic „Housing Subsidy System.“

- *Housing Subsidy System (HSS)*

The nine provincial human settlements departments that rely on funding for housing projects from the 'so-called 'Human Settlements Development Grant (HSDG) have to update the HSS with all the projects being implemented in their provinces. Information regarding the beneficiaries (also the next of kin) for each house in all the housing projects, the project number, the budget etc. is also uploaded into the system. Generally speaking, the HSS helps to utilise the received information for reporting purposes and prevents the duplication of capturing activities. More importantly, the HSS is a part of the „checks and balances“ approach, which helps to detect problems in the implementation of projects and to put corrective measures in place where necessary. For instance, the DHS uses the HSS on a monthly basis to control the progress of the projects. For example, if construction materials have been charged for, but little progress has been made in the construction, the DHS conducts an investigation. Depending on the results of the investigation, measures are taken in cooperation with the provinces and the municipalities. This process is part of the monitoring and evaluation of the DHS.

Additionally, the financial data collection is linked to the HSS. The „Basic Accounting System“ (BAS) complements the HSS. The payments concerning the implementation of the housing projects, which are recorded in the HSS, are initially registered in the BAS. The coordination of both systems aims to align the financial and non-financial data of the projects. Regular checks are conducted on the alignment of both types of information.

The timely submission of information regarding housing projects to the HSS is regulated by the „Public Finance Management Act 1997“ (PFMA), the „Division of Revenue Act“ (DoRA) and the „Municipal Finance Management Act 2003“ (MFMA).

Depending on the type of required information, the timeframes differ. For instance, expenditure reports have to be submitted on a monthly basis.

To prevent the provincial departments from not meeting deadlines, which happened in the past, control mechanisms have been established. The relevant provisions of the above-mentioned acts are communicated to the provinces and municipalities through forums or meetings. Furthermore, the responsibility for ensuring that the information is submitted on time has been assigned to the 'Head of the Departments' of 'Provincial Treasuries', as well as the HoD of the provincial human settlement department. This local control ensures a more efficient and expedient process of data submission.

In order to ensure accurate information and aligned reporting, the 'HSS User Group' and 'Technical Steering Committee' were established. The users from the provincial departments upload the required information to the HSS. The users are the respective officials in the provinces. Meetings with the users are organised to ensure that this supplied information is of good quality. The HSS User Group meets every six weeks for two days. The purpose of the HSS User Group meetings is to establish and to maintain coherent communication with provincial and municipal users regarding the HSS and associated sub-systems. At these meetings, cross-checks are carried out regarding the initial input submitted to the HSS and the updated information. The Technical Steering Committee addresses the quality of the supplied information by reviewing the system on a continuous basis.

- *Monitoring and Evaluation of Allocated Funds for Housing Programmes*

Controlling allocated funds within the framework of the housing programmes is one of the key activities of the national department. The monitoring and evaluation in this sphere are performed through various mechanisms and procedures.

In the context of the Integrated Development Plans prepared by the provincial departments (discussed above), funding allocation plays a major role. These Plans have to include quarterly targets with their spending allocations. Monitoring and evaluation is performed by the national department to ensure that the targets have been achieved. In case problems have occurred in reaching these targets, corrective measures in accordance with the „Actions plans“ and „Recovery plans“ are taken. These Plans outline of how the province intends to address the problems and the time frames within which these would be addressed.

This is done to ensure that the annual targets are not negatively affected which may result in non- delivery and under spending on the approved budget.

The transfer of funds to the provinces can take different forms, though mostly it occurs through „Human Settlements“ grants. The provinces are accountable for the monitoring of the allocated funds. Specifically the provinces monitor whether the funds have been spent according to the purpose stipulated in the Business Plan. However, the final oversight of this process is carried out by the DHS.

- *Oversight by Committees: National, Provincial and Community Levels*

Overall, the main challenge regarding the effective oversight of all projects by the national department remains the coordination between the DHS, the provinces and the municipalities. The sheer size of projects and their location contributes to this challenge. To ensure control over the projects within the capacities of the national department, sampling techniques are used. The DHS undertakes this sampling on four levels: samples are taken on the provincial level, on the district level, on the project level, and on the individual housing level. The final sample is decisive for which locations are visited. The chosen sites are monitored in terms of reported progress and spending. The monitoring of the housing projects on the national level is also performed by the so-called „Portfolio Committee.“ The members of the Portfolio Committee are „Members of Parliament“, who visit the construction sites in various provinces and municipalities. On the basis of these visits a follow-up report is drafted. This report is sent to the DHS.

In turn, the national department shares the findings of the follow-up report with the municipalities and provinces. An interactive discussion with national and local civil servants is conducted on the basis of these findings. A comparable political oversight also exists on the provincial level. The „Members of the Executive Council“ (the cabinet at the provincial level) are engaged in the monitoring and inspection of the projects through the 'Standing Committees'.

At the community level, the oversight for each project is performed with the help of a „Steering Committee“. The establishment of these Steering Committees is laid down in the „Housing Code“. The ward councillor and the respective beneficiaries are elected to this Committee. The members of the Steering Committee approve the project's details and receive reports on the progress in all projects. The Members of the Executive Council are not able to finalise a project without the approval of the Steering Committee.

The effective oversight of the housing projects including the allocated funding, which we define as a „best practice“, has been performed through different mechanisms, e.g. the HSS, the monitoring of financial targets on the basis of Business Plans and Integrated Development Plans and the oversight of the projects through the national, provincial and community bodies.

Section 5: External Input in Monitoring and Evaluation: Dialogue with Citizens

The DHS strives for better communication with the communities. It remains a problem to set up dialogue with citizens, due to a lack of communication between citizens and the department. Sometimes the affected members of the community are unaware about the stages of a building process. This can result in irritation on the part of citizens, which can even escalate into violent protests. To ensure better communication and the transparency of the building process, certain initiatives such as the complaint mechanism have been introduced. The department receives on average 60 complaints per year and they usually include: illegal sales of low-income houses, failure to maintain premises by landlords, illegal evictions and etc.

The complaint procedure is structured in the following way. Citizens can send their complaints to the national department. Depending on the subject of the complaint, the complaints are sorted within the national department. For instance, a complaint regarding alleged corruption is forwarded to the „Special Investigations Directorate“. Each complaint is allotted a specific case number depending on the place where the complaint was submitted, e.g. the departmental call centre, the presidential hotline, community picketing outside the department etc. To investigate the complaints and to hold the perpetrators accountable, the DHS cooperates with the „South African Police Services“ and the „Special Investigating Unit“.

On the basis of the communicated complaints, a trend analysis is carried out by the Special Investigations Directorate in cooperation with the „Capacity Development Unit“. The results of this trend analysis are shared with the relevant stakeholders internally within the department, as well as externally. This assists in strengthening systems to avert recurrence. The DHS takes a very active position in combating fraud and corruption, therefore the staff of the department are constantly updated regarding these cases.

To ensure a better dialogue with citizens, the department conducts citizens' information surveys in order to assess the needs of the population. These surveys entail information regarding the needs of communities in relation to housing. This informs the decision makers on the type of programme within the Housing Code that would be suitable to address the needs of the community. These surveys help to understand whether the housing policies of the department correspond to the needs of the population. This mechanism not only aims to improve cooperation with citizens, but also to strengthen the department's monitoring mechanisms.

The best practices in the area of external communication with citizens include the complaint mechanism and the citizens' information surveys.

Section 6: Further Improvements: Impact Assessment

In order for the DHS to improve continuously in fulfilling its objectives in terms of housing and fulfilling the basic needs of citizens, an impact assessment procedure has been set up. An „Impact Assessment“ is defined as a mechanism that evaluates the effects of a policy, programme or project and can be described as a “post-factum” procedure. It entails the continuous analysis of the interventions ranging from design to completion and the subsequent consequences.

The DHS conducts two to three impact assessment studies with the purpose of evaluating the policy impact and/or outcomes which are consequential to the implementation of Human Settlement policy or its programmes. The emphasis is on outcomes accumulated either as a result of the various programmes or of the policy in general. A comprehensive report is produced based on these impact assessment studies. This report is presented to the „Minister and Members of the Executive Council“ and the South African Parliament.

Based on the outcomes of this report, recommendations are drafted and/or initiatives for new programmes or policies are proposed. One such initiative, which resulted from the impact assessment, is the „Urban Settlements Development Grant“. This grant is meant for building facilities such as community halls, sports halls etc., at locations where residential areas will be built.


This example indicates that through impact assessment, and monitoring and evaluation mechanisms in general, an important principle of the DHS is being realised, namely that the building of sustainable communities is not only about building houses, but also about constructing important facilities that promote social cohesion.

Conducting an Impact Assessment can be considered as a „best practice“ because it helps to distil good results from the conducted projects and implemented policies and at the same time to learn from the mistakes of the past and consequently to adopt an enhanced strategy that aims at further improvements.

Conclusion

The DHS was evaluated by the Department of Performance Monitoring and Evaluation via the Self-Assessment Module of the Management Performance Assessment Tool. The Monitoring and Evaluation practices of the department were highly appreciated. The DHS was nominated as a best practice department in the KPA Strategic Management, within the performance area of „Monitoring and Evaluation“. To understand the reasons behind the effective monitoring and evaluation system of this department and to distil the best practices in this area, this case study has been conducted.

Diverse best practise have come to the surface while performing desk research and conducting interviews with DHS managers. This report has attempted to summarise the most important and the most interesting practices of the department.



Effective citizen service deliveries and performance-oriented results cannot be achieved without effective cooperation between the national departments, provinces and municipalities and various external organisations. The creation of the Project Management Unit, which supervises the housing projects, is identified as a best practice, as it helps to ensure transparency and expedient project delivery. The bottom-up planning, starting from provinces and municipalities and coordinated at the national level, ensures the division of tasks and a clear allocation of responsibilities between the national and provincial level. Structure and oversight is provided by the DHS in the form of templates, the Housing Subsidy System, financial monitoring and supervision by various committees etc. The input of the communities through citizen surveys and complaint procedures plays a significant role in ensuring that the interests and needs of citizens are taken into account in the planning of human settlement activities. The impact assessment mechanism stimulates further improvements on the basis of a long-term vision of the department and the sector as a whole.