



WESTERN CAPE PROVINCIAL GOVERNMENT

CONSULTATIVE SEMINAR: A dialog
towards partnerships for human
settlement development

ECONOMIC EVALUATION OF HOUSING PROJECTS

Introductory presentation

28 March 2006



INTRODUCTION



- Model being developed for application in Integrated Human Settlement (Housing) evaluations:
 - In context of Breaking New Ground (BNG)
 - Drawing on earlier work:
 - Evaluation criteria development within the department
 - Reference group report on pilot project evaluation
 - Informed by the strategy development process:
 - Including Log framing process
- Based on conceptual model developed in the Strategic Infrastructure Planning process (SIP)
- Model structure informed by Ikapa Elihlumayo strategies:
 - Provincial Spatial Development Framework (PSDF):
 - Targeted growth sectors
 - 12 leader towns
 - The Micro Economic Development Strategy (MEDS):
 - Eight themes





OBJECTIVE(S)

- Provide a framework/tool to enable evaluations of projects:
 - To aid prioritisation on an ongoing basis
- Being developed and tested through evaluating the initial eight “housing pilot projects”
 - In a consistent and structured manner
 - Striving for a common approach within province
- Ultimately, provide a model that could be used as a common tool, with broader application
 - Other departments & provinces?





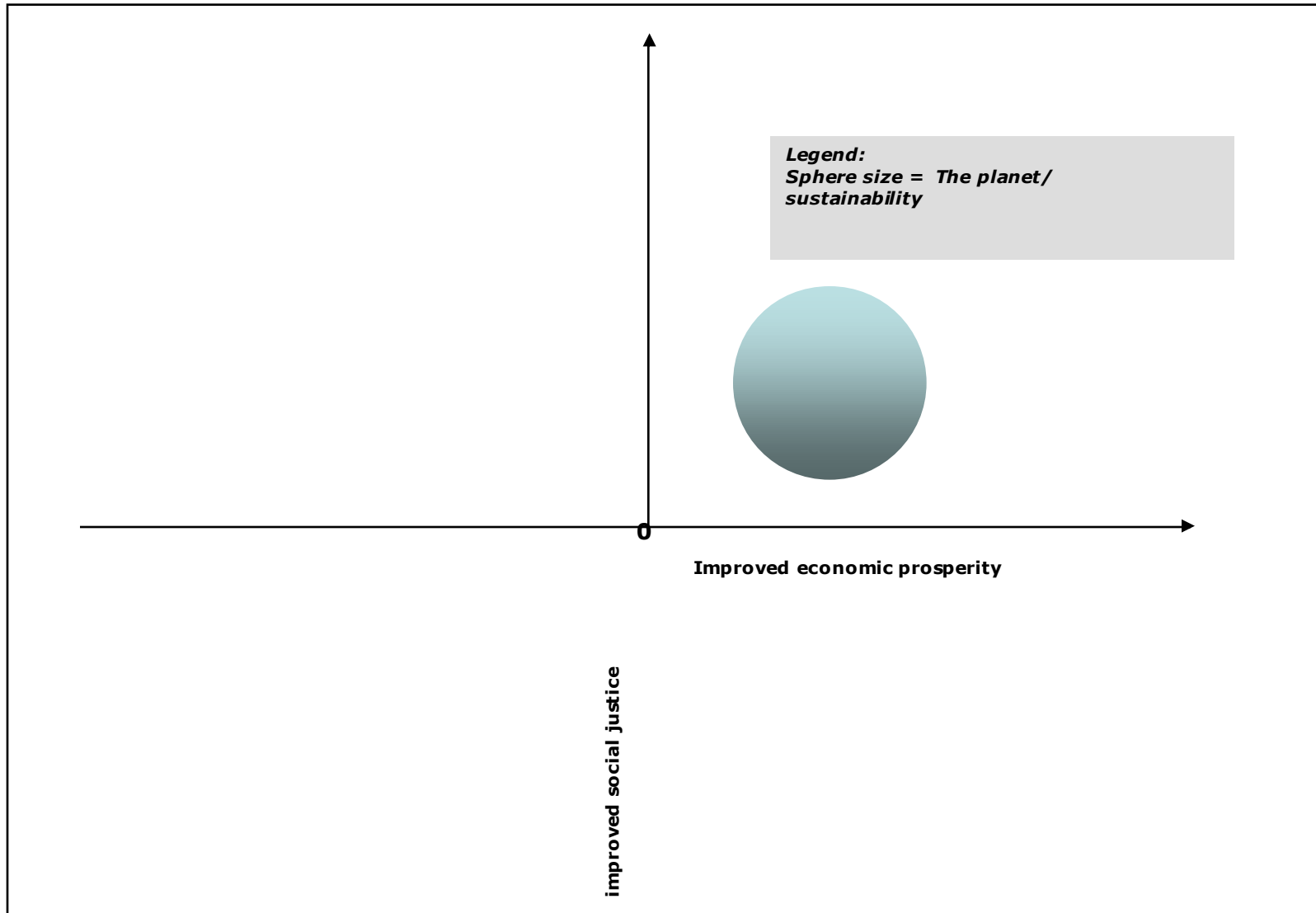
METODOLOGY

Based on triple bottom line approach

- Economic efficiency (PROSPERITY):
 - Creation of employment & economic growth
- Social justice (PEOPLE):
 - Spiritual, physical & emotional wellbeing, poverty, reducing inequality (social & geographic)
- Ecological integrity (PLANET):
 - Sustainable growth



REPRESENTING RESULTS

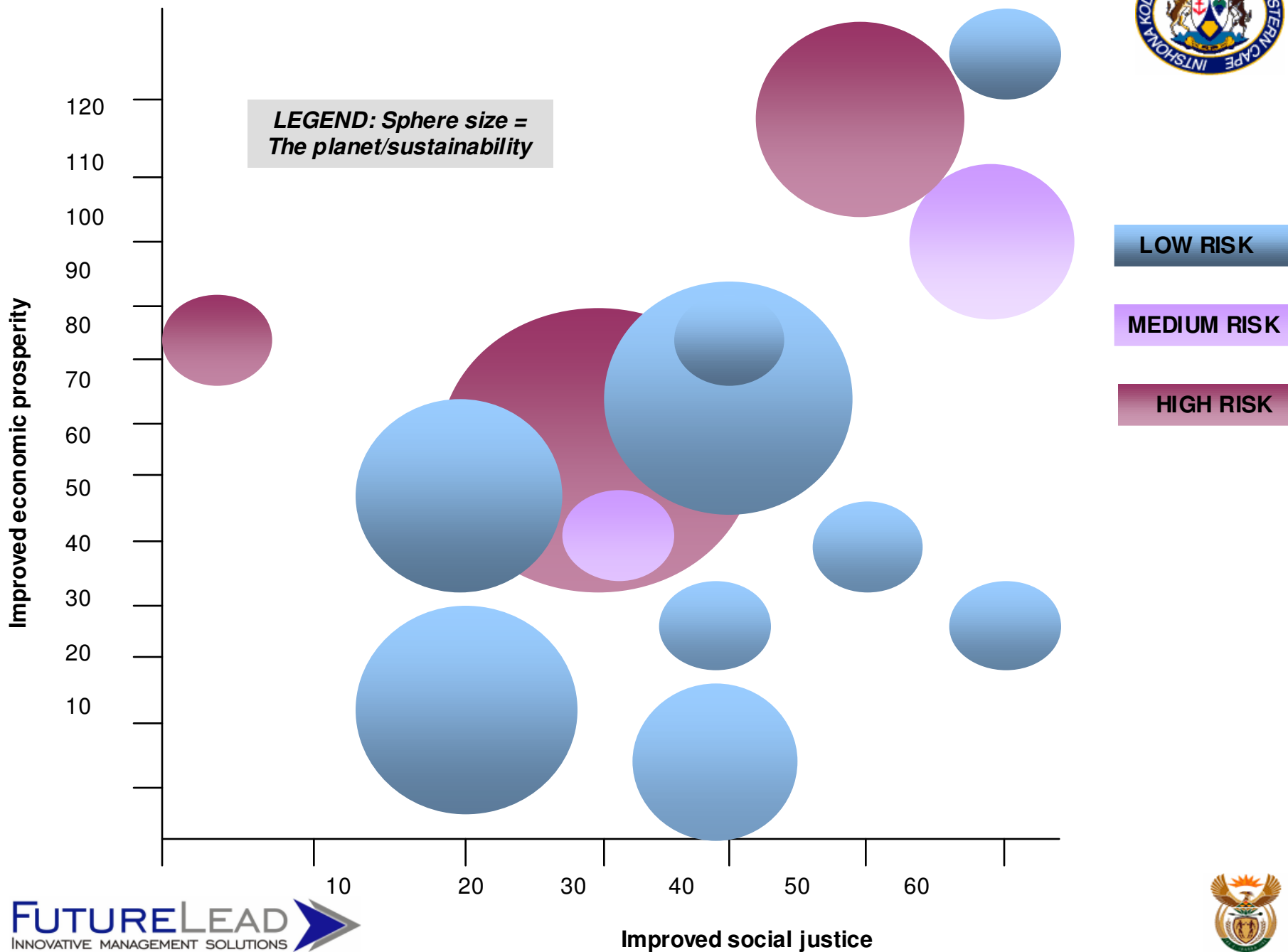


INTERPRETING RESULTS



- It is not intended to conduct a paint-by-numbers exercise , but rather to go through a structured process considering each criterion in a consistent format
- Ultimately the process informing the decision-making by positioning projects in terms of the different triple bottom line objectives (prosperity, people and planet)

Illustration of positioning





HOUSING EVALUATION CRITERIA (1)

- Economic efficiency:
 - Employment (permanent & temporary)
 - Labour intensive construction
 - Support to SME sector
 - Proximity to industry (low & medium skills)
 - Supporting targeted growth sectors
 - Financial impacts (costs)
 - Affordability
 - Ability to mobilize funds (private sector)
 - Optimal use of infrastructure (bulk services)
 - Transport capacity and linkages
 - Range of tenure options
 - Alternative construction methods (cost efficiency & conservation of resources)





HOUSING EVALUATION CRITERIA (2)

- Social justice:
 - Restructuring apartheid landscape:
 - Impact on quality of life
 - Access to social resources
 - Integration of income groups
 - Higher density of units
 - Settlement design (e.g. supporting safety)
 - Building communities:
 - Support/involvement of disadvantaged communities (e.g. youth, women, disabled etc.)
 - Involvement of the community from an early stage
 - Provision of social amenities
 - Expanding opportunities:
 - Supporting land reform goals
 - Support to skills development
 - Changing apartheid structure of urban settlements



HOUSING EVALUATION CRITERIA (3)



- Ecological integrity:
 - Conserve and strengthen sense of place:
 - Conserving important cultural landscapes, artifacts & buildings
 - Quality of living environments:
 - Minimising impacts on pollution (air, water etc.)
 - Minimising consumption of scarce resources:
 - through housing design & location
 - Potential to mitigate against disaster;
 - Natural (e.g. floods & fires)
 - Diseases



HOUSING EVALUATION CRITERIA (5)



- Other criteria/considerations:
 - Alignment/adherence with existing policy directives:
 - Non negotiable hurdles
 - The spread of projects in terms of (BNG) and/or Provincial objectives e.g.:
 - Type of instrument applied
 - Geographic location and/or perceived priorities (needs & backlogs)
 - The inherent/associated risks:
 - Implementation risk:
 - Capacity to implement successfully
 - Original concept eroding/changing with implementation
 - Financial risks e.g.:
 - » Funding/Budget mobilisation and sustainability



HOUSING EVALUATION CRITERIA (4)



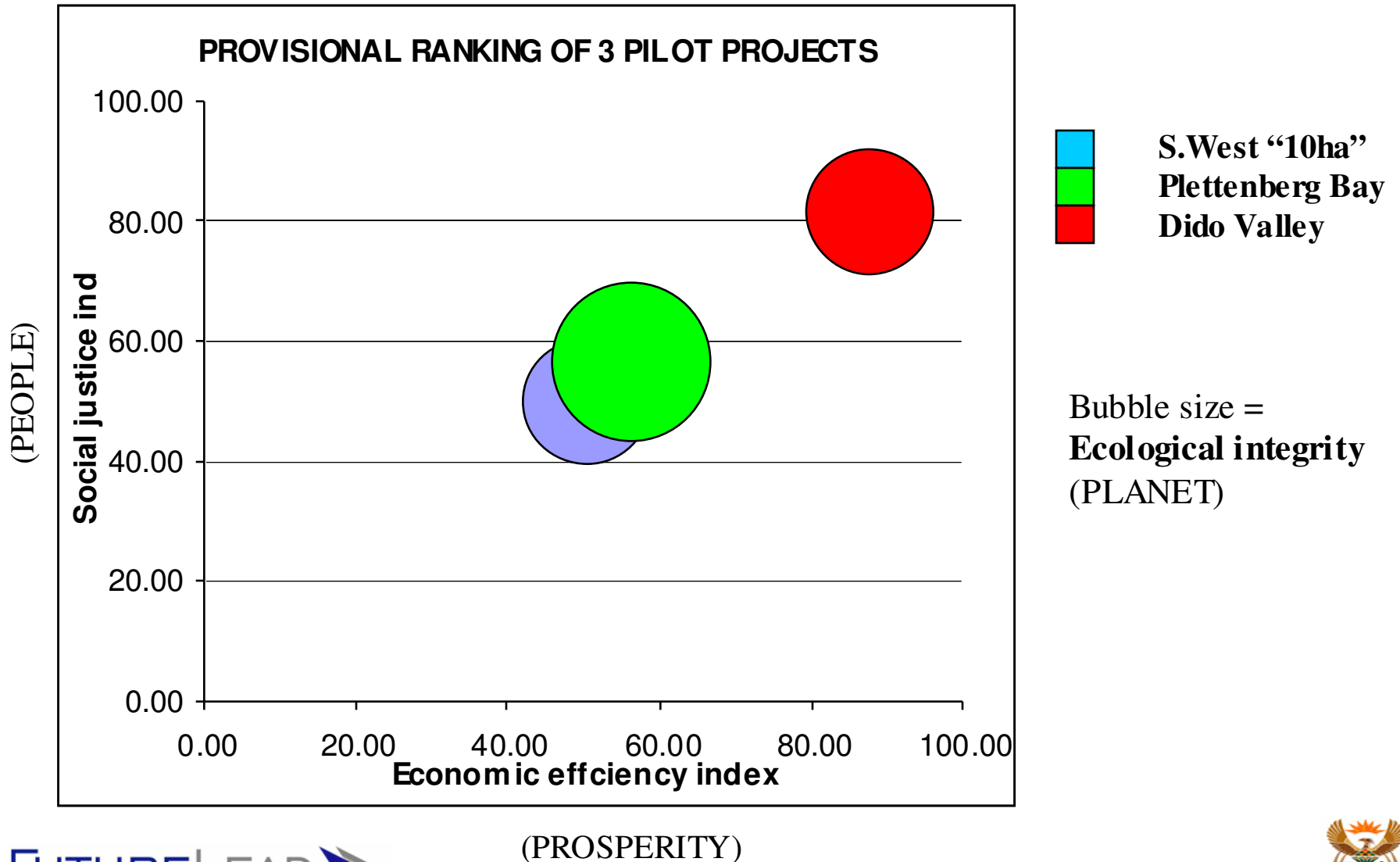
- Pre-implementation qualification criteria e.g.:
 - Clear indication of need existing e.g.:
 - Target community and need identified
 - Linkage to economic opportunities and/or backlogs
 - Evidence of project fund availability e.g.:
 - Project factored into budget cycle
 - Existence of bulk infrastructure capacity to accommodate requirements
 - Compliance with Provincial EPWP guidelines





PROVISIONAL RESULTS: Illustration

Note: Evaluation not finalised, graph only represented for illustrative purposes





NEXT STEPS

- Continue to refine and test model:
 - The evaluation of pilot projects
 - Input gained through consultation
 - **Confirming criteria and sub-criteria**
 - **Calibrating application of scores**
 - **Developing and applying criteria weighting** (if required)
- Document model for broader application:
 - Solicit comment
 - Refine instrument and underlying criteria
- Run/test model in broader application

