

**Housing Indaba
Cape Town
September 22-23, 2005**

Social Contract for Rapid Housing Delivery

September 23, 2005

Preamble

South Africa's transition from apartheid to democracy ushered in a period within which the foundations to eradicate the legacy of the past were laid. The ten years that followed became therefore, a prelude to a period within which the hope and the aspirations of many could eventually be fulfilled with opportunities for a better life for all.

The dynamics of population growth, the resultant urbanisation and the experience of the first ten years of democracy were used to shape and formulate the Sustainable Human Settlement Plan. The Plan or "Breaking New Ground (BNG)" was approved by the government in September 2004.

The preparation of the Plan entailed a series of discussions with all the role players in the housing value chain. These included community imbizos, meetings with developers, building contractors, the banking sector, community based and non governmental organizations, the mining sector, most of the building material suppliers, the professional associations and almost everyone that either needs a home or is involved in one way or another in the provision of a home.

Various commitments were made to play a meaningful role in:

- a. Dedicating themselves to work tirelessly to remove or improve every slum in the country and house the homeless;
- b. Creating human settlements that give back people's dignity, house the homeless and ensure that their homes are assets which create wealth for them;
- c. Increasing access to mortgages and other suitable forms of housing finance irrespective of the location of the home;
- d. Ensuring that homes delivered will be of a minimum approved standard;
- e. Ensuring that each person in the housing delivery chain understood their obligations and that these obligations were respected; and
- f. Ensuring the attainment of the Millennium Development Goals, specifically, Goal 7 and Target 11.

The delegates who are gathered here in Cape Town during September 22 – 23, 2005 commit themselves to a **Social Contract for Rapid Housing Delivery** that translates their goodwill into practical cooperation with common objectives.



In addition, the delegates agreed that organisations who are not present in Cape Town during September 22-23, 2005, may want to add their names to this contract by visiting <http://www.housing.gov.za> at any time.

Targets

- a. The removal or improvement of all slums in South Africa as rapidly as possible, but not later than 2014;
- b. The fast-tracking of the provision of formal housing within human settlements for the poorest of the poor and those who are able to afford rent and or mortgages;
- c. The creation of rental stock for a rapidly growing, mobile (migrant) and urban population within inner city and other locations close to employment opportunities;
- d. To remove administrative blockages that prevent speedy developments and to strive to reduce the time to grant various permissions relating to the built environment to 50% of the current time; and
- e. To ensure consumer education/understanding in all housing development projects.

Principles

- a. Trust, openness, transparency and equitable distribution of available resources;
- b. Mutual respect for the capacity and capabilities of each sector, and recognition of their limitations;
- c. Valuing the distinct and complementary role of each sector;
- d. Respect the diversity and interdependence of each in housing and human settlement delivery;
- e. Integrity, responsibility, ethical practice, accountability and effective leadership for delivery in the process and outcomes;
- f. The involvement of beneficiaries and other stakeholders in planning, policy development and other pertinent decision making processes;

- g. Commitment to rapid implementation of approved innovation, and striving for continuous improvement in housing delivery processes to achieve the objectives; and
- h. Root-out corruption and maladministration in the private and public sector.

The Commitments

As representatives of the various stakeholders, we commit ourselves to "Breaking New Ground" in housing delivery by working together to achieve exponential growth in the economy, through the initiatives we undertake collectively, in our efforts to achieve housing for all by 2014.

We affirm that this is a key route that will enable us to fully achieve in South Africa, a non-racial, non-sexist, united and integrated society.

The *Social Contract for Rapid Housing Delivery* confirms our commitment to accelerated housing delivery taking account of the Sustainable Human Settlements Plan; "Breaking New Ground".

It is a statement of understanding about the relationships between us for a common goal (housing, security and comfort). It provides a framework for partnerships and resource mobilisation and articulates the principles of our commitment to develop answers collectively.

It is intended to be a living document, maintaining relevance as relationships develop and evolve. It aims to continue to improve the working relationship between all stakeholders in the development of housing and sustainable human settlements.

It provides a platform to address housing, poverty, and urban and rural development problems collectively, particularly for the poor, thereby entrenching the philosophy that we have a collective responsibility to ensure that we remove and/or improve every slum in South Africa by providing rental and ownership homes for all.

We recognise the need to actively participate in the improvement of the lives of the poor and achievement of the Millennium Development Goals.

We, the signatories to this Contract commit to the shared vision *"to promote the achievement of a non racial, non-sexist, integrated society through the accelerated development of*



Sustainable Human Settlements and the rapid provision of quality housing and social amenities”.

We the signatories undertake to work together to:

- a. Unblock the impediments constraining a fast-tracked process of housing delivery;
- b. Enable rapid release of land that is well located, for the purpose of creating sustainable and viable communities;
- c. Create a sustainable and a viable new and secondary housing market;
- d. Extend access to affordable finance and, where possible, with shorter repayment periods for all South Africans;
- e. Mobilize communities to be active participants within the construction processes through the provision of technical support and skills development;
- f. Enable the individuals and families to use their homes as assets to create wealth;
- g. Actively promote the empowerment of previously disadvantaged individuals, especially women and youth; and
- h. Develop policies and mechanisms to deal with HIV/AIDS in housing, and access to housing finance.

In addition, we, the signatories undertake to work together to mobilize the required resources to achieve the following elements of the Human Settlements Plan:

- a. Accelerating the delivery of housing as a key strategy for poverty alleviation;
- b. Utilising provision of housing as a major job creation strategy;
- c. Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- d. Leveraging growth in the economy;
- e. Combating crime, promoting social cohesion and improving the quality of life of the poor in safe and secure environments;
- f. Supporting the functioning of the entire single residential property market to reduce the duality within the sector by breaking the barriers between the first and second economy;
- g. Utilizing housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring, and
- h. Ensuring, as a matter of urgency, the extension of adequate water, sanitation and hygiene, lighting and energy, such as electricity, to all.

We individually commit our organisations as follows:

1. GOVERNMENT AT NATIONAL, PROVINCIAL AND LOCAL SPHERES

Government, and its agencies at national, provincial and local sphere, are committed to the successful implementation of the BNG through improved service delivery, resource mobilisation and new instruments (while upgrading the current), and building capacity.

Government remains committed to the vision to promote the achievement of a non-racial, non-sexist, integrated society through the development of sustainable human settlements and quality housing, with specific reference to the removal or improvement of informal settlements. It recognizes the significance of working with all the role players in the sectors to achieve the vision of the BNG.

Government undertakes to:

- a. Overcome the obstacles hindering housing delivery by engaging constructively, with all the relevant stakeholders in order to remove such obstacles;
- b. Remove the delays in payments and reasons for non-payments to those contracted to ensure effective housing delivery, while encouraging and expecting all stakeholders to comply with agreed procurement and administrative procedures within required timeframes;
- c. Enhance coherent planning in the provision of infrastructure and housing;
- d. Encourage the development of appropriate and sustainable infrastructure service levels to eligible target groups;
- e. Review and re-align legislative, policy and institutional frameworks to fast track Township Establishment processes through the development and implementation of a code of good practice that binds all the stakeholders;
- f. Commit and abide with the set procurement delivery timeframes;
- g. Support and strengthen people-centred shelter strategies by continuously enhancing and simplifying institutional processes and fast-tracking approval processes;
- h. Improve capacity at all levels (National, Provincial and Local) through accreditation and skills development, including Township Establishment processes;
- i. Take a lead to facilitate access to housing finance for a properly functioning housing market and engage constructively in managing the identified risk factors in the market;
- j. Speedily conclude policy and mechanisms (in consultation with the financial sector) to cover low-income earners that fall outside the current subsidy band;
- k. Improve communication within the housing sector and communities through the development and implementation of a communication strategy;
- l. Review and re-align legislative, policy and institutional frameworks to fast track availability and affordability of well and appropriately situated land for sustainable human settlements; and

m. Develop and strengthen strategic partnerships with all role players in housing delivery.

2. THE PRIVATE SECTOR

The profit and not-for-profit sector recognizes the significance of working with the government to achieve the vision of the BNG to ensure a non racial, non-sexist, integrated society through the development of sustainable human settlements. The sector is committed in working with the government to improve service delivery, mobilise resources, build capacity and therefore undertakes the following, sector by sector:

2.1 The established construction industry (consisting of the building and civil engineering sectors)

- a. Through the procurement best-practice processes, deliver at scale, quality and affordable products that conform to professional building norms and standards;
- b. Build capacity within the industry and promote development of the emerging and women contractors in line with the Construction Charter and scorecard;
- c. Promote job creation through appropriate labour-intensive methods; and
- d. Strive to manage cost escalations in line with inflationary pressures.

2.2 The building material manufacturers and suppliers

- a. Supply good quality building materials which conform to national approved standards;
- b. Work with the standards setting bodies in the country to ensure compliance;
- c. Commit ourselves to expose those that supply building materials which do not conform to nationally approved standards;
- d. Ensure fixed pricing for a period provided in the contract which will be tied to agreed volumes and time frames for the delivery of projects;
- e. Build capacity and promote entrepreneurship by entering into partnerships; and

- f. Contribute to the technical support and mentoring of emerging and women contractors, without escalating the price.

2.3 South African Institute of Architects

- a. Engage in human settlement planning, which meets best practice standards for social, environmental and economic sustainability;
- b. Enhance the housing product by means of qualitative improvement of architectural housing designs in respect of humane provision of shelter, aesthetics, technical performance and cost-effectiveness;
- c. Advance the creation of non-racial, socially integrated cities by playing a lead role as professionals in urban renewal and inner city regeneration, including innovative inner-city housing design; and
- d. Mainstream housing as a subject for research, education and continuing professional development within the building professions.

2.4 Mining Sector

- a. Promote the sustainable development approach of the Mining Charter including support for local entrepreneurs involved in housing;
- b. Interact at mine and/or regional level on an ongoing basis with local and district municipalities to ensure that there is an alignment and integration in development of towns and housing units;
- c. Improve the standard of accommodation for mineworkers, including the upgrading and conversion of hostels into family units and other types of housing units in an economically feasible manner;
- d. Promote home ownership and other forms of tenure for all employees;
- e. Develop guidelines/codes at mine level that regulate the utilisation of loaned monies for purposes of purchasing or building houses, and that encourage employees to utilise housing allowances and housing loans for accommodation purposes; and



- f. Make agreed land available where appropriate, for housing development and facilitate access to mortgage loans with a view to improving access to affordable housing options.

2.5 Civil Society Organizations

- a. Continue to act as a link between government and communities;
- b. Promote and provide a range of housing delivery options and support programmes;
- c. Work in partnership with government and other role-players to maximize the speed, quality and sustainability of housing delivery;
- d. Play a key role in working with and providing services for special focus groups (women, children, HIV/Aids, disabled people and the elderly);
- e. Promote Broad Based Black Economic Empowerment (BBBEE) and facilitate implementation of the relevant charters;
- f. Assist in developing the capacity of people (community & government) involved in housing delivery with a specific focus on PHP;
- g. Develop the capacity and involvement of women in all aspects of the housing delivery process;
- h. Mobilize communities to participate in saving schemes and PHP programmes;
- i. Promote and provide affordable rental housing;
- j. Continue to facilitate the development of an active citizenship through home owner education, managing expectations and promoting accountability of all role-players; and
- k. Facilitating access to housing finance.

2.6 Banking Sector

- a. Rededicating and committing itself to the 2005 Memorandum of Understanding (MOU) signed with the National Department of Housing; and

2.11 Women for Housing, South African Women in Construction (SAWIC) and women in the industry

- a. Work closely with the Department of Housing and industry roleplayers to maximise the speed, quality and sustainability of housing delivery;
- b. Promote Broad Based Black Economic Empowerment (BBBEE) and facilitate implementation of the relevant Charters, particularly with regard to the empowerment of women;
- c. Facilitate access to housing related skills, knowledge and opportunities;
- d. Develop improved relationships with government and industry stakeholders in the pursuit of fast-tracking housing delivery and women's development in the industry;
- e. Provide advocacy, training and support for women who are developing housing related careers and businesses; and
- f. Advocate for the needs and promotion of women as housing consumers, service providers and decision-makers.

2.12 Black Conveyancers Association

- a. Assist government and relevant role-players to review and re-align policy, legislative and institutional frameworks to ensure speedy and affordable conveyancing/property registration processes;
- b. Facilitate the simplification of processes and systems to enable potential beneficiaries of the BNG programme to fully understand and comprehend the benefits and obligations of the envisaged property transfer and mortgage bond transactions;
- c. Pioneer a property rights awareness/culture, and serve as a buffer between beneficiaries of BNG and unscrupulous role-players in the industry; and
- d. Ensure the continuous commitment by our membership with the aims and objectives of the Social Contract for Rapid Housing Delivery.

- d. Discourage queue jumping by educating communities about the housing process and organising communities to form partnerships with government, and taking the initiative with community-led activities such as enumerations and horizontal learning exchange programmes.

2.9 Council for Scientific and Industrial Research (CSIR)

- a. Spearhead knowledge generation and knowledge application relevant to the housing sector;
- b. Build more focused competence bases to support the improved delivery of sustainable settlements and cities/ towns;
- c. Mainstream the benefits of housing research and constructively participate in the development of sustainable human settlements;
- d. Initiate convergent, multi-disciplinary approaches, and to build local and international knowledge networks, to better address economic, social and environmental sustainability issues inherent in the domain of the built environment; and
- e. Research, assemble and interpret international best practice, in order to contribute towards the formulation of new policy and delivery mechanisms.

2.10 Institute for Housing of South Africa (IHSA)

- a. Galvanise support of all our members to ensure effective support and participation in the implementation of the BNG;
- b. Work out mechanisms of enforcing the IHSA Code of Conduct; and
- c. Activate our branches at provincial levels and ensure that they work together with Provincial Housing Departments.

2.13 South African Geomatics Institute

- a. Engage in removing obstacles in our domain of practice which impede rapid delivery;
- b. Seek ways in which we can enhance effective service delivery by our membership; and
- c. Offers its support in beneficiary education and information programmes.

3. REVIEW AND MONITORING

- a. Every signatory will be a member organisation of a Plenary Assembly which will establish the modus operandi to review progress and monitor the outcomes of this Social Contract for Rapid Housing Delivery; the first meeting of the Plenary Assembly will be held by January 2006.
- b. The meetings will be chaired by the Minister of Housing or a nominee of the Minister.










4. CONCLUSION

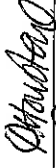
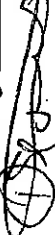











Our future lies in our hands. Through our diversity of talents and cultures, we will harness our tremendous human and other resources to accelerate housing delivery to improve the lives of millions of our poor by building sustainable livelihoods, communities and human settlements, providing a choice of quality housing opportunities with secure tenure and access to water and proper sanitation for all.














Signatories



National Department of Housing

NAME	ORGANISATION	SIGNATURE
D D Sipeliti	South African Federation of Civil Engineering Contactors	
Phetola Makgate	National Home Builders Registration Council	
J Barnard	Mittal Steel SA	
C T Ndlovu	Motheo Group	
T Steward	Inframax Pty (Ltd)	
T S Ndevu	KDF	
L Mtshali	SASSMC	
N Sithole	Floorworx	
Siefried Milbert	Everite Building Products (Pty)Ltd	
M J Molapisi	SANGOCO	
D Masilela	NASHQ	
Pierre Fourie	Master Builders South Africa	
G Koch	Concrete Manufacturers (CIMA)	

NAME	ORGANISATION	SIGNATURE
Anthea Houston	Development Action Group	
Derick Elbrecht	National Union of Mine Workers	
Elizabeth O'Leary	Women for Housing	
Joel Mkunqwana	Communicare Housing Company (Pty) Ltd	
D Mothusi Guy	PEER Africa (Pty) Ltd	
Xola Ngamiana	KUYASA FUND	
Themba Mthethwa	Nutec (EVERITE)	
Darryl Feni	Entech	
Felicity Phala	Black Conveyancers Association	
Senne Bogatsu	Free State Department of Local Government and Housing	
Zainoe Suleman	Institute of Plumbers of SA	
Nadin Gangen	City Heat Geysers	
Roger Matlock	GM South Africa Foundation	

NAME	ORGANISATION	SIGNATURE
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Derick Elbrecht	NUMSA	
Kevin Duncan	Thubelisha Homes	
Phetola Makgathe	National Home Builders Registration Council (NHBRC)	
Cedric de Beer	NURCHA	
Hylton MacDonald	Aveng Ltd	
Hylton MacDonald	Grinaker_LTA Ltd	
Nico Sithole	Building Material Suppliers	
Dr Frans Barker	Chamber of Mines	
Fred Johnson	National Department of Public Works	
Hassan M Asmal	SA Institute of Architects	
Abram Luruli	Institute of Housing SA	
Mark Straugham	SAGI	

NAME	ORGANISATION	SIGNATURE
Jopie van Honschooten	The Banking Association of South Africa	<i>J van Honschooten</i>
Patrick Magebula	Umferandawonye <i>H. Feol</i>	<i>[Signature]</i>
Ted Bauman	Utshani Fund	<i>[Signature]</i>
Joel Bolnick	Community Organisation Resource Centre (CORC)	<i>[Signature]</i>
Neil Gopal	SAPOA	<i>[Signature]</i> subject to mandate
F de Rougemont	Lafarge South Africa	<i>[Signature]</i>
A Fernandes <i>Fernandes</i>	National Council of Trade Unions (NACT)U	<i>[Signature]</i>
Frank Gormley	Howard Housing Solutions Limited	<i>[Signature]</i>
<i>Eulalie Stott</i>	<i>Helping homeless individuals and Groups</i>	<i>Eulalie Stott</i>