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Ocean View Shelter Access Consolidation Program

Contract or Grantee number: 0040-0202-G-GA06

Ocean View Development Trust

This report was produced for review by the USAID. It was prepared as a performance milestone under Mega-Tech, Inc.'s prime contract. The contents of this report address activities performed under USAID/South Africa's Strategic Objective No. 6: Increased Access to Shelter and Environmentally Sound Municipal Services

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Activity Summary and achievements:

Funding assisted the facilitation of credit forms of assistance for housing and services to 105 community beneficiaries in Ocean View, enabling it to expand and creating an environment through which greater scaled sustainable housing delivery can take place. The grant has also provided technical advisory services and an auxiliary service in the form of purchasing, providing and costing of building materials, and the provision of a labour component through the community building teams. The technical office further provided a service that monitored the usage of the Roll Over Fund and provided progress reports during the building process.

Some achievements of the grant include the following:

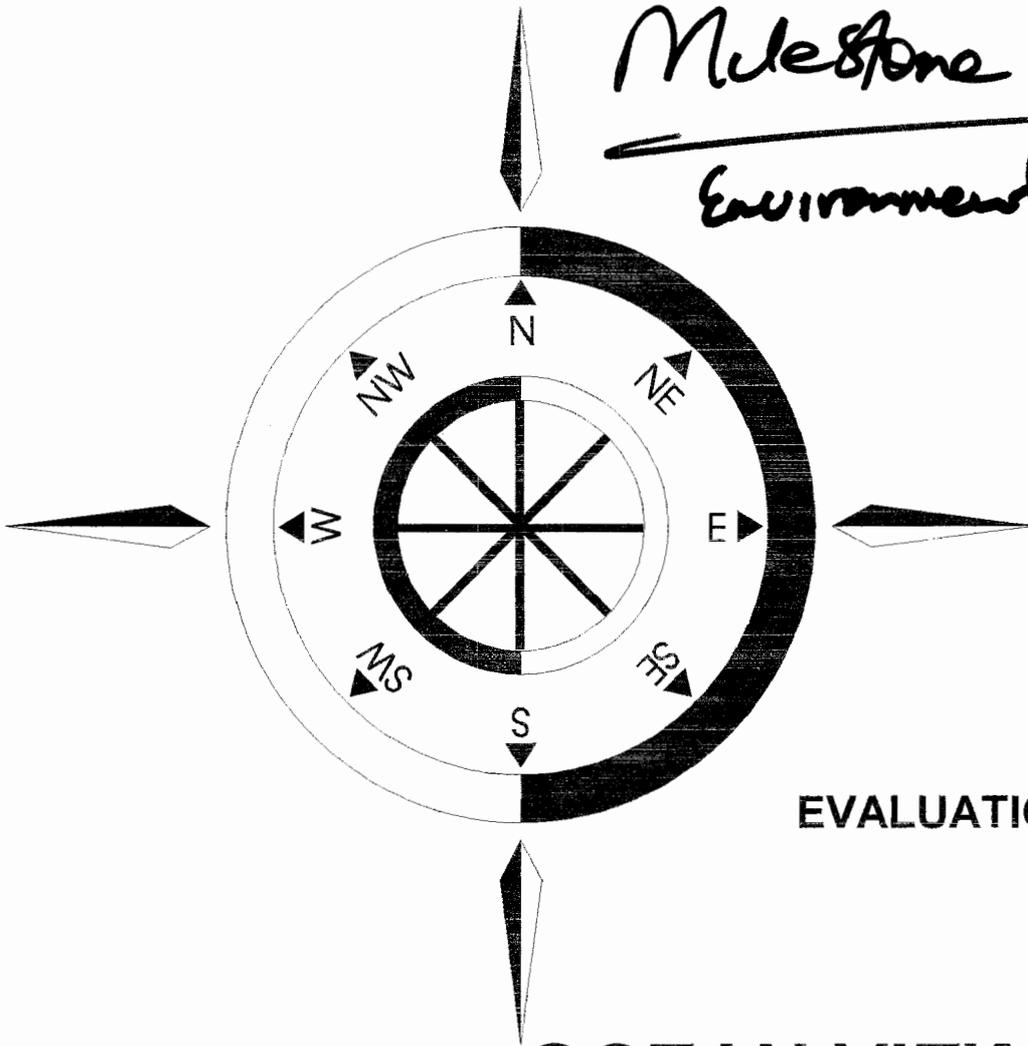
- 105 households assisted to obtain shelter/urban services through the provision of credit and subsidies;
- 105 families empowered through training and outreach programmes;
- an enhanced awareness, culture of savings and loan repayment among beneficiaries.

Contents of this report:

- 1) Tranche 5, Milestone 13 Report (September, 2003);
- 2) Grant Activity Completion Report; and
- 3) Annual Narrative Summary (FY2003).

Milestone 13

Environmental Scans Report



EVALUATION REPORT

**OCEAN VIEW
DEVELOPMENT TRUST**

Grant No> 0040-0202-G-GA6

Compiled for GMAC/MEGA Tech Inc.
September 2003

Purpose and Structure Of Evaluation Report

The purpose of this evaluation report is two fold, firstly to review the Ocean View housing problem and suggest solutions and secondly to evaluate the Roll Over fund System as an alternate finance mechanism that will complement towards Government Housing Subsidy in order to provide greater impetus to housing delivery for marginalized community beneficiaries.

The first section of the report provides background to the Ocean View community and its social characteristics, the Ocean View Development Trust and its approach and it further reviews the Ocean View Housing problem and suggest and recommend interventions in six key areas that will contribute towards alleviating the Ocean View Housing problem. It also reviews substantive approaches for a successful Housing Program.

The second section of the report analyzes one component of the substantive approaches namely, the Roll Over Fund System as an alternate finance mechanism that was established in order to contribute towards greater scaled housing delivery within the Ocean View community. Emphasis is placed on the following:

1. Background to the Roll Over Fund
2. Factors influencing the system
3. Risk factors and services expected
4. The system as a complimentary resource to the housing subsidy
5. The Roll Over Fund Design and its replicability
6. Scaling and determining the institutional environment

Methodology

Information was gathered for this report through the monitoring, evaluation and analysis of the organisations records, minutes of meetings, workshop reports, commissioned surveys and interviews on a one on one basis.

Monitoring and evaluation provided useful information on progress in the implementation of the housing development model and the Roll Over Fund System.

It was important to draw a distinction between monitoring and evaluation of the entire housing development process.

Monitoring tended to focus on activities and how they were implemented, as well as the results achieved.

Monitoring the process, asked the following questions:

- What activities were engaged in?
- What results were achieved by the activities?
- Did the activities go according to plan? And,
- Were the results achieved that was planned for?

Evaluation tended to be focused on the results of the exercise with a focus on qualitative questions such as:

- Were our activities effective?
- Was our process relevant?
- Were there unanticipated results?
- What caused the outcomes that occurred?
- Was the design of the process appropriate?; and,
- What alternative approaches could we have adopted?

Monitoring and evaluation took place throughout the cycle of a people's participatory process:

- At the stage of program design lessons learnt from prior evaluation was drawn on. Clear aims were established and indicators and targets to be achieved were set.
- During the implementation of the people's participatory housing process and the Roll Over Fund System, monitoring and evaluation activity focused on assessing progress, the continued relevance of the process design, the addressing of problems that arose, and the improvement of strategies.
- On completion of the process, monitoring and evaluation assessed the results and the process undertaken and identified the factors that facilitated, and those which constrained, activities and the lessons are learnt from the process.

Good monitoring and evaluation was dependent on having good indicators in place. The useful guide in identifying indicators was they should be S.M.A.R.T:

Specific;
Measurable;
Attainable;
Realistic; and
Time-Based:

SECTION ONE

Introduction

Background to Ocean View

Ocean View is a low-income dormitory town located in the southern part of the greater Cape Town area. It falls within the jurisdiction of the South Peninsula Municipality (SPM), one of the six municipalities making up the Cape Metropolitan Area (CMA).

The Ocean View community was established in 1968, when individuals were removed from their original areas of residence under the terms of the Group Areas Act of 1950, on the basis of the colour of their skin. These areas included Noordhoek, Simonstown, Sunnydale, Glencairn, Redhill, Sun Valley and Elsies River. It is estimated that, through the implementation of the Group Areas Act, 128 000 people (22 000 families) residing in the CMA were relocated to peripheral settlements such as Ocean View.

The first homes in Ocean View were built at the end of 1967, with a total of 912 units being built during the first phase. Of these, six hundred flats (with between 1 and 3 bedrooms) and 212 semi-detached houses were constructed (see Plate 1). In the early 1970s, the South African Navy built a further 60 semi-detached units for use by Navy personnel working in Simons Town. The completed township was designed to provide housing for 1,800 families. Today, however, more than 30,000 residents live in Ocean View. With the limited amount of accommodation, overcrowding has become a serious problem, as is the case for many 'townships' in the CMA.

Social - Economic Characteristics Of The Ocean View Community

Ocean View is a dormitory township established during 1967 through the Group Areas Act and is regarded by many as the "Last Outpost of the Verwoerdian Dream". Most of the present community has its roots in the economically more vibrant area of Simonstown some 25 kilometers away.

Economic activity centres around a few small shops, sparsa shops, shebeens and small backyard economic activity. Assuming that most women are job seekers, the unemployment figure is close to 50%. It is estimated that 30% of households are entirely dependent on state social grants. Senior citizens represent 5% and 25% of the population are learners. 35% of inhabitants have formal employment and work as labourers, fishermen, factory and domestic workers. Most residents are employed outside the township.

Some 75% of households earn less than R 1 150 per month, 20% earn between R 1 150 and R 3 500 and 5% is estimated to earn more than R 3 500 per month.

The township has a relatively young population with 46% of the inhabitants younger than the age of 19. Adults represent 49% and senior citizens (older than 60) represent 5% of inhabitants.

The Ocean View Development Trust

Since 1992, the Ocean View Development Trust (OVDT) has been active in the housing and community development sector. The resources of the organisation are spent:

To assist 700 beneficiary families with suitable shelter through self-help and "helpmekaar" (mutual aid). It is furthermore involved in the land acquisition program to assist an additional 1800 families in the Ocean View area. The organisation provides technical and logistical support to all its beneficiary families through its housing support centre.

Through the housing support centre, it provides an alternate source of housing construction finance to our beneficiary families by means of a savings and a Roll Over system. It is estimated that the program provides up to 60 permanent to semi -permanent employment opportunities for community people and it furthermore trains, capacitates and empowers community beneficiaries to provide their own shelter and build a stronger and vibrant community.

The OVDT came into being as a direct consequence of an acute housing shortage within Ocean View and its environs. The Trust developed out of some 37-community organisations of all persuasions within the Ocean View community. These organisations got together and resolved to establish a joint initiative to address the housing shortage and the social, cultural and educational needs of the community.

The first major challenge the Trust was faced with was the development of some 700 residential plots east of Milky Way (better known as Atlantic Heights). The Independent Development Trust funded this project with a capital subsidy of R 7500 per site (site and service scheme). At the outset it appeared to be quite a daunting task for a group of community volunteers to tackle, however with the help and support of dedicated professionals, where required, the project has enjoyed great success. The Ocean View experience of "People Centered Development" has proven that meaningful participation by the people directly affected in the design process and shaping of development within financial constraints can be achieved with the necessary commitment.

The establishment of the OVDT contributed largely to growing the capacity of the beneficiaries of the housing subsidy as well as its staff and executive committee. The number of staff has also grown considerably since those early days, which is indicative of the extent to which the Trusts work in networking various funding sources - locally, nationally and internationally in its endeavors and commitment to uplift its community.

The Development Approach

The Ocean View Development Trust (OVDT) has worked over the last ten years in the area of Housing and Urban Development, and has increased the means of access for its beneficiary community, historically disadvantaged by apartheid, to environmentally sustainable housing and urban services. This objective mirrors that of the South African Government's Department of Housing.

The Trust has developed mechanisms that facilitate access to shelter and urban services, contribute towards national policy development strategies, increases access to credit to previously ineligible households, increase non-credit forms of assistance to its historically disadvantaged beneficiary community, applying sustainable participatory environmental principles to local level urban development.

The organisation continues interacting with other community-based agencies in order to address the HIV/AIDS pandemic in Ocean View, as well as to extend its support and resources to other communities who do not have access to these resources. This is primarily achieved through community workshops, education, training and networking. This implementation method will unquestionably contribute towards creating the awareness of this pandemic; it will alleviate teenage pregnancy and will educate the practice of the necessary precautions. Other diseases such as T.B. have posed a great concern in the community mainly because of the overcrowding circumstances families are living in and the housing shortage problem.

The organisation in its capacity as a community development vehicle strongly believes that healthy homes make healthy families. It is also the belief of the organisation that no bias should be exercised towards any members of the community but continuous support should be offered in order to empower women, the elderly and the physically disabled through the existing infrastructure and resources the organisation has to offer.

The multi-sectoral approach of the organisation is that of a holistic process of community development that encompasses job creation, local economic development, supplementary and complimentary income strategies, capital retention and circulation strategies, training and community empowerment programs through workshops and networking. Community governance and principles of democracy are entrenched within its community's structures, through its Community Development Forum, which comprises of some 60 autonomous community organisations within Ocean View.

Reviewing The Ocean View Housing Problem

The 1995 Ocean View Strategic Plan showed that approximately 20% of housing units accommodated more than one household with an average bedroom occupancy of 4,5 persons. That study estimated a housing shortfall of 560 units. 8 years later, it is estimated that the shortfall is closer to 1,800 units. This is supported by the number of families who have requested support from the Ocean View Development Trust.

The 1995 Strategic Plan and the subsequent Ward 21 Structure Plan both identified possible tracts of suitable land for housing. It has been clear that neither the political or administrative will has been forthcoming in order to take the process forward.

The Ocean View Housing Problem is further complexed by the low levels of family income experience by the majority of its residents. The majority of the residents can hardly afford Service Charges, rates and rents. It is thus necessary for any housing plan to recognize the central role of economics in modern society and be concerned about the social and ecological consequences of conventional economics. Any strategy developed must be designed to promote social equity and justice, community self-reliance and ecological sustainability.

The implementation mechanisms of the strategy must be designed to provide impetus to economic activity, community regeneration and overall community development. The strategy's essential components must be job creation, income generation, beneficiary financial viability, local market development, capital circulation and capital retention.

Key Interventions For A Successful Housing Program

Six key interventions has been identified, being:

1. Land Acquisition Program
2. Allocation And Prioritization
3. Densification Through The Erection Of Formal Backyard Units
4. A Strategy For Mountain View
5. The 93 Units
6. Applying The Indigent Policy Framework

1. Land Acquisition Program

The purpose of such a program should be firstly to identify measures to release land rapidly and secondly, to pro-actively acquire land. It is required to acquire land for affordable shelter and this should include securing finances to acquire a strategic tract of land and furthermore assist with the process of the transfer of land.

Currently Local Authorities have two mechanisms available to acquire land for housing:

In terms of section 9(2) of the Housing Act, 1997 (Act 107/1997), a municipality is empowered to act as a developer and therefore has the right to direct purchase on the open market.

In terms of section 9(3) of the Housing Act, 1997 (Act 107/1997) provision is made for the expropriation of land by a municipality for housing development.

In accordance with the Ward 21 Structure Plan, the identification of Erven 1209 and 315 can contribute towards housing infill development or the establishment of housing for the aged.

Land Adjacent To Atlantic Heights - Ocean View Extension, is identified as the most suitable for housing development. This needs to be pursued. Its potential is between 60 and 70 units per hectare and the land is privately owned.

Actions to be taken

Erf 1209 was identified for educational purpose and is registered with the Provincial Administration. This needs to be transferred to the Local Authority. There is no need for this site to be used for an additional school.

Erf 315 is registered with the Local Authority. Actions should be engaged to develop this for a specific housing purpose. With the land adjacent to Atlantic Heights, actions should be engaged to apply the appropriate Sections of the Housing Act.

Furthermore, the community should be engaged and consulted at all stages of the process. It is suggested that a People's Housing Process be embarked on.

This will compliment the existing infrastructure and mechanisms set up by the Ocean View Development Trust in acting as developer.

2. Allocation And Prioritization

Waiting lists in general serve as a source of information for allocation and prioritization. These lists could also rank subsidy applicants based on rational criteria, such as number of dependents, state of current accommodation and time on waiting list. The waiting list of the Local Authority and the Ocean View Development Trust must be utilized as a basis for allocation and prioritization. This should furthermore be reinforced by additional information through questionnaires and surveys.

Actions To Be Taken

Allocation and prioritization is a very important aspect of proper housing delivery and administration. It is thus important that a joint working group be established, comprising of the Local Authority and Community Representative Groups in order to ensure transparency. This group is to ensure the following:

- Ensure the fullest community participation
- Amalgamate present waiting lists
- Develop criteria components
- Set norms and standards
- Collect and collate data
- Engage in surveys and questionnaires
- Allocate according to agreed criteria
- Set time frames

3. Densification of Through The Erection Of Formal Backyard Units

Great potential exists in many old townships in the Western Cape for excess land to be utilized in order to assist families and communities with housing problems. Existing erven in these townships average in size between 250 and 400 square meters. Many of these erven are not suitable for subdivision because of shape. The average size of the existing house is between 40 and 50 square meters.

It is known that families transfer properties from one generation to the next. Many families have erected informal backyard structures in order to accommodate extended family members. Potential exists in formalizing structures through the subsidy component by the establishment of a Family Housing Trust. Trusts may be established on a pro-rata basis and according to determined monetary value and input of the trustees/family members. Other legal questions such as security of tenure need to be clarified for the trust as a collective entity with its trustees as shareholders.

A criterion for the establishment of such trusts and the usage of the subsidy component needs to be established.

The OVDT researched this potential. It is highly recommended to form part of a new housing strategy. Support for this needs to be canvassed at all three tiers of government. It is necessary to develop a policy framework for this option at national level. 70% of surveyed respondents approved of this option. The idea of constructing additional structures on one erf is not new - one just has to visit many other townships where renovations, improvements, wendy houses, shacks and bungalows can be found in backyards.

This option addresses some fundamental questions pertaining to the following:

- Acquisition Of Land For Housing
- Financial Resources For The Purchases Of Land For Housing
- Storm Water and Drainage Cost
- Water and Sewer Connection Cost
- Electrical Connections and Street Lightening
- Road Constructions Cost

Actions To Be Taken

The following is necessary:

Support of all three tiers of government

- The development of inputs for national policy framework
- Legal framework for the establishment of Family Housing Trust
- The development of criteria for the usage of the subsidy component
- Utilizing the full subsidy component for top structure construction
- Identification of Beneficiary Families
- Project Subsidy Application
- Housing Delivery Mechanisms through the People's Housing Process
- The appointment of a community representative vehicle to act as a developer

4. A Strategy For Mountain View

Mountain View was established as a transit camp for people removed from the periphery of previously white areas over ten years ago. People were moved to Ocean View without the consultation of community structures. 102 Temporary units exist in the area, with some units occupying more than one family.

The estimated population is about 1,500 people, who live in adverse conditions. Mountain View is part of Ocean View and a solution to its problem must not be seen as a Mountain View solution but rather a solution that is incorporated into the overall Ocean View Housing Strategy.

Action To Be Taken

- Mountain View must be incorporated into the Ocean View Housing Strategy
- That its residents be allocated sites in the land acquisition program
- That its residents through established mechanism be part of the overall People's Housing Process
- That no further people be allowed to reside in Mountain View after the existing families have taken occupation of their sites.

5. The 93 Units

93 Units were constructed in the Atlantic Heights development through House of Representatives funding in the old tri-cameral parliamentary system. The size of these units is 26 square meters. Construction of the units was undertaken by Cape Utility Homes. The administration of the units is the responsibility of the Local Authority and the provincial administration as the bondholder.

Many of the units have started to crack or disintegrate. This is either due to poor workmanship or due to the clay content in the nature of the soil. Bond repayments by occupiers in many cases have ceased. Some occupiers have displayed ignorance in understanding the difference between bond and rental repayments. They are even more confused when rates and services charges are mentioned. The problem is complex, however a solution needs to be found.

Action To Be Taken

That a joint working group consisting of community representatives, the local authority and the provincial administration be set up.

- That these properties be written off at a determined nominal value
- That they are then transferred to owners
- That the owners take responsibility of restoring these properties through a People's Housing Process
- That the mechanisms established by the Ocean View Development Trust be made available to the owners, with special reference to its Roll Over Fund System.
- That an ownership educational program be entered into on an ongoing basis.

6. An Integrated Housing Approach & The Indigent Policy Framework

75% of households earn less than R 1,150 per month. Indigent is officially defined as those who earn income below the poverty datum line (R 0 – R1, 000). This group presently qualifies for the full housing subsidy or resides in rented accommodation. In a large part, they cannot afford to maintain payments on the product they receive from the state through subsidies or rented schemes.

It is thus important for housing developments to follow an integrated approach with local economic development and job creation strategies that address: basic, complimentary and supplementary income levels. Furthermore, an economic strategies that retains and circulates capital within the immediate environs of Ocean View is of cardinal importance. Until questions around income levels, job creation and local economic development are addressed, it seems that problems around affordability are going to be around for long time.

Actions To Be Taken

- That an integrated approach to housing development is ensured.
- That the planning process is undertaken with other role players in order to ensure holistic community development.
- That home owner/rental awareness programs be embarked on over periods of time.
- That the present indigent policy be carefully and delicately applied.
- That a moratorium be placed on evictions and water disconnections.

Key Substantive Approaches For A Successful Housing Program

Six key elements constitute the supportive approach of the Ocean View Development Trust. These are:

1. Technical Advisory Service and Auxiliary Support
2. A Roll Over Fund
3. Community Building Teams
4. A Communication and Dissemination Strategy
5. A Plan For Sustainable Coverage

1. Technical Advisory Service & Auxiliary Support

Technical Advisory Services

The aim of this program is to establish and manage a support program that provides strategic guidance to existing and potential beneficiaries. The service, in detail, further provides the following:

- Information on the building construction process to beneficiary families
- Facilitates horizontal learning and experience sharing
- Facilitates networks and linkages
- Monitors and evaluate the building construction process
- Provides ongoing mentoring and support to beneficiary families
- Empowers the community to build their own homes

Auxiliary Support

The program must provide auxiliary support to its beneficiary community in the form of:

- Housing Educational Programs
- Accounting & Secretarial Support
- Housing Subsidy Administration
- Organisation & Efficiency Services
- Information Technology Services

2. Roll Over Fund

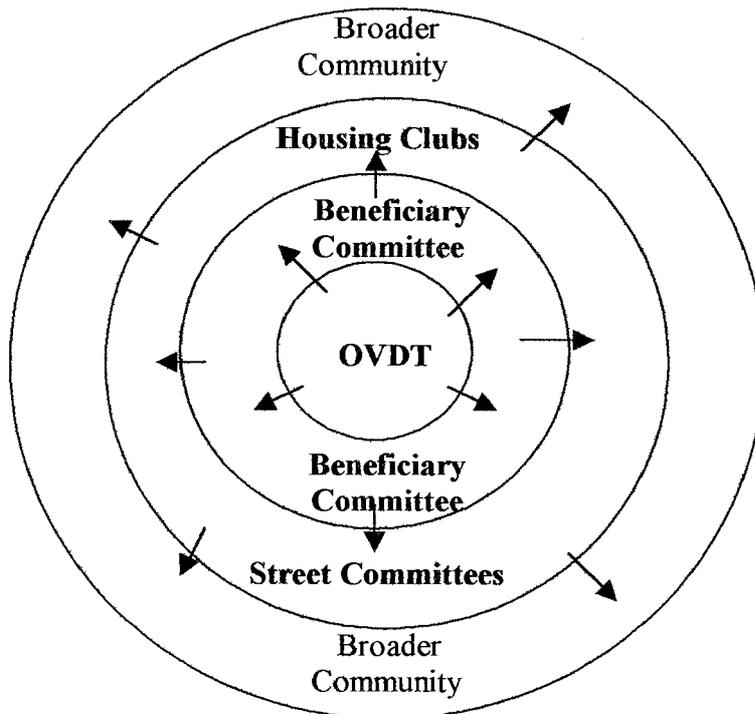
The aim of this form of assistance is to provide the marginalize an access to credit

4. Community Building Teams (Small Emerging Contractors)

At present, the OVDT operates two sets of Community Building Teams. The functions of these building teams are to assist community beneficiaries that are unable to embark on a process of self-help or helpmekaar. These teams largely provide the labour component to beneficiaries during the basic construction phase of their homes. Each team consists of a supervisor, two artisans and six unskilled labourers. In total, these teams employ 18 persons and they have contributed towards the construction of many homes. It is envisaged that the labour component during the construction phase can be subsidised through donor funding or an acquisition grant. This further stimulates employment creation.

5. A Communication and Dissemination Strategy

The organisation makes use of a concentric core dissemination strategy in order to reach its beneficiary community. The Ocean View Development Trust forms the nucleus of this strategy. It has established a community beneficiary committee who it interacts with, on a range of community activities. Members of these committees are leaders within housing clubs or street committees. This diagram illustrates how the message penetrates throughout the community.



6. A Plan For Sustainable Coverage

The OVDT operates in an environment where male dominance takes precedence and is rooted in the traditional upbringing of community members. The OVDT takes great care in its programs to change this concept. Its programs allow for the equal opportunity and responsibility of beneficiary partners. Gender Equity is an important issue on the agenda of the OVDT, and it promotes this idea through its initiatives. Inadequate housing conditions, lack of employment opportunities, crime, lack of educational and health care programs are some of the issues that place a disproportionate burden on women.

In addition to bearing the overwhelming responsibility for childcare and low income, poor women must also ensure that basic food supplies, water and electricity are provided for their households in most cases. Many women are finding it increasingly difficult to do so. Much of the focus of the organisation is now centered on the empowerment of women. Training and empowerment workshops are held in conjunction with other development agencies and government departments.

Analyzing natural and social issues has revealed strong evidence to show that urban and natural environments do not exist in isolation from each other, but are intrinsically related components of a dynamic system. Recognizing and understanding the relationship and interactions between different aspects of the environment allows us to develop responses that are structured according to local needs and issues.

Key factors taken into account for the development are the type of housing, residential densities, land use issues, storm water management, fuel and power supply sources, residential traffic circulation, transportation strategy, waste management, existing services and topography and subsoil conditions.

The term sustainable development refers to a development process that seeks to meet the needs of the present generation without compromising the ability of future generations to address their essential needs. In the context of inadequate housing conditions and poor economic opportunity, the level of amenity offered by the natural environment at least gives relief from the poor quality of life experienced by the majority of Ocean View residents.

Sustainability however, also implies that a wide range of activities should be possible in an urban environment, in contrast to the dormitory nature of Ocean View. Development should therefore ensure that it contributes towards a more diverse living environment through the provision of job creation and local economic development opportunities and additional facilities in order to achieve overall sustainability.

It is necessary to develop a sustainable program around ideas that is integrated in its approach, sets parameters for program flexibility, circulates and retains capital within the immediate environs of the program.

SECTION TWO

Background To The Roll Over Fund

The Ocean View Development Trust initiated a Roll Over Fund in February 2000 after four years of research. The fund was instituted with financial assistance from donors and was implemented during May 2000. The fund sustains beneficiaries who are marginalized by financial institutions. The fund pays a maximum of three thousand Rand to beneficiary members. The fund is redeemable to beneficiaries at the end of its repayment period, which can stretch over six to 24 months.

Concept Of The Roll Over Fund System

Operation Of The Fund

The Roll-Over Fund is made available to the marginalize in order to contribute towards building, completing and/or repairing their house. While the loan is repaid it acts as a means of savings, which provides the beneficiary access to another loan. Repayments are calculated so that it is affordable by the beneficiaries.

The Loan Administrator works with the beneficiaries and makes sure that they are provided with much as possible for the loan provided and are assisted with the drawing up of building plans; the construction of homes and the best prices for building materials are sought.

90% of the loan is used for the purchasing of building materials and 10% is allocated for labour cost. It is more cost-effective if beneficiaries and their family members with the assistance of their friends get involve in the building of their homes. If they are not able to do all the work then the Ocean View Development Trust provides assistance by appointing its community building teams.

As long as beneficiaries still have a balance on their loan, they will be charged a services fee of 1% on the capital balance. This fee is for administration of the fund and to provide an auxiliary service during the construction of the beneficiary's home. This is a very low percentage to pay for the services provided and is lesser than bank rates.

The Roll Over Fund vs. Banking Institutions

The differences between the Roll Over Fund and a loan from a bank or other organization are:

- It is easy to get a second loan when it has been paid because repayments are treated as savings.
- Beneficiaries are assisted with plans, building materials and construction of their houses.
- A small service fee compared to the high interest rate charged by banks or other organizations.
- Beneficiaries do not have to own a house, have life policies, or put up anything valuable against the loan.
- The loan administrator is always ready to assist beneficiaries if they have difficulty in repaying their loans.

Applying For A Loan

The Roll-Over Fund Administrator understands community needs and has a vast knowledge of the fund. She/he will assist beneficiaries in filling in the necessary application forms and will assess the amount affordable to the beneficiary.

The following documentations are required to process a loan:

- Applicants and/or spouse Identity Document.
- Applicants and/or spouse pay slip / proof of income

Loan Repayment s

Repayments of loans are effective from the following month of receiving the loan. The Roll-Over Fund Administrator will work out the repayment amount with the beneficiaries. She/he will make sure that the amount is small enough so that beneficiaries can afford to repay. The loan repayment period stretches from 6 – 24 months.

If beneficiaries increase their repayments each month, then the loan is repaid over a shorter period and a lesser repayment amount paid. Although this is encouraging, beneficiaries are advised not to pay more than they can afford. The Roll-Over Fund Administrator together with the beneficiary can decide how much and how long to repay. The longer the repayment period the lesser the repayment amount.

For example:

Jannie gets a loan for R3 000, and decides that he wants to pay back the loan in two years. He will pay back R141.22 each month.

Susan gets a loan for R3 000, and decides that she wants to pay back the loan in one year. She will pay back R266.55 each month.

If the loan gets repaid back quicker, the lesser the service fee. In the example:

Jannie will pay R389.29 for the services at the end of his payment period and

Susan will pay R198.56 for the services at the end of her payment period

Susan will pay less because she is paying back the loan over a shorter time. She will pay R190.73 less than Jannie. Jannie wants to pay back his loan over a longer time so that he can pay a bit less each month. This means that he can still afford to pay his other creditors and daily provisions.

Using The Savings For A Second Loan

With banks and other organizations that lend money, each time a new/additional loan is applied for; new application forms needs to be filled in, provided that the loan has been repaid. Obtaining a second loan is much easier with the Roll-Over Fund system.

Every time a part of the loan is repaid, the Roll-Over Fund Administrator treats this as if the beneficiary is saving her/his money. This repayment monitoring will contribute towards making an assessment whether to provide another loan

A Technical Advisor will report on the beneficiary's construction process/progress and will assess if the first loan was used in the construction of the house. He will then consult with the loan administrator whether a second loan is needed and how much.

The Risk Of Security

If a banking institution provides a loan they will solicit some form of surety, usually immovable property, in order to use it as collateral if the loan is not repaid. This is very risky. If a loan was taken with a banking institution, and the debtors loses their job or struggle to get money because of something else which has gone wrong, they could lose their house. With the Roll-Over Fund you don't have this risk. Collateral is based on the commitment of beneficiaries wanting to own their own homes and is further attached to co-debtors (whom are usually extended family members or employers), if the beneficiaries are having difficulty in repaying.

Technical Assistance

A Technical Advisor will assist beneficiaries to plan the building work expected. He will inspect the land where the beneficiary wants to build and assist with the acquiring of building plans. He will roughly calculate how much work can be done with the loan provided. He will continuously monitor the construction progress of homes and provide the necessary assistance/advice.

Obtaining The Best Prices For Materials

Hardware shops and suppliers of building materials make some of their goods expensive and others cheap. Each shop or supplier will have different things that are cheap and expensive. Some shops or suppliers just have higher prices for everything they sell. Because of this it is important to go to a few different places when buying materials for a house. Beneficiaries are encourage to seek the cheaper yet good quality building in order to maximize the loan.

Suppliers sometimes give a good price to certain people. They do this to try to sell more materials. The Roll Over Fund Administrator has negotiated with suppliers operating close to Ocean View and has organized to get good prices for materials which people need for their houses. The Roll-Over Fund Administrator informs beneficiaries which shops or suppliers to go to to get good prices for each thing needed for a house.

Roll Over Fund Process Summary

- Application form – this is easy to fill in with the help of the Roll-Over Fund Administrator
- Prioritization – The Roll-Over Fund Administrator must decide who will be first to get loans. The most important thing is to make sure that as many people as possible in Ocean View have 'habitable shelter'. If someone has 'habitable shelter' that means that they at least live in a house and don't have to live in a shanty. Living in a house is much more healthy and the health of the people of Ocean View is very important. This means that the Roll Over Fund should help a person who does not have a house at all before helping a person who already has a house and wants to make it bigger or repair it.
- Approval or disapproval of loan – The Roll-Over Fund Administrator will decide if a person has enough money coming in to be able to get a loan. To be able to get a loan a person must have enough money coming into be able to pay the loan back.

- Debt acknowledgement – You will sign an agreement with the OVDT. This will say how much your loan is and how you are going to pay it back.
- Implementation – The Roll-Over Fund Administrator will organize for you to get materials for the value of the loan you have been given, or for people to be paid out of the loan to work on your house. If you want people to work on your house the Roll-Over Fund Administrator will arrange for an OVDT Building Team to work on your house and for the people in the team to get paid out of your loan.
- Evaluation/follow-up process (Technical advisor’s Report) – the Technical Advisor will look at your house to make sure all the work has been done correctly and then he will write a report for the OVDT.

Management Of The Roll Over Fund

The objectives of the management process is to:

- Coordinate workshops and outreach programs designed to increase awareness of the home improvement loan scheme.
- Increase the ability of beneficiary families to undertake, manage, and maintain their home improvement construction projects successfully.
- Assist loan recipients with budgeting and personal financial management in order to be able to maintain loan payments, and maximization of the Roll Over Fund through the encouragement of sweat equity and mutual aid.
- To empower beneficiaries during the construction process and
- The facilitation of horizontal learning and experience sharing and the building of network linkages.

Dissemination Structure

The Loan Administrator liaises and consults with beneficiaries either on a one on one basis or collective workshops on how the Roll Over Fund can be utilized to its fullest. Each beneficiary of the Roll Over Fund system has been provided with a user’s handbook.

The User’s Handbook contains 12 contents, which focuses on the following information:

1. How the Roll-Over Fund works
2. How the Roll-Over Fund is different to banks and other loan institutions
3. Getting a loan from the Ocean View Development Trust Roll-Over Fund
4. Repayment of your loan (Your savings plan)
5. Using your savings for a second loan
6. Adding ‘Sweat Equity’ to your house and property
7. Your 1% service fee
8. How the Ocean View Development Trust Roll-Over Fund helps you get a loan without the risk of ‘security’
9. Family supported loans
10. Technical help with building or completing or adding to your house
11. Getting the best prices for materials for your house
12. A summary of the Ocean View Development Trust Roll-Over Fund process

Beneficiaries are asked to answer five questions regarding the sessions they had just attended. They are requested to answer yes, somewhat, or no to each question.

Did this workshop meet your expectations?

Would you tell your friends about the Roll Over Fund?

Has the Fund contributed in improving your living conditions?

Do you feel the workshop was well organized?

Does the User's Handbook provide enough information about the fund?

The general feeling of beneficiaries are that workshops were an overwhelming success, with all expressing their delight at the outcome, and a strong desire for further training on how beneficiaries commented that the workshop had opened their eyes to alternative way of finding money to complete/build their homes and thanked the organisation that they are working at a community level. This was extremely positive, with verbal and written comments confirming the trainers' perception that much learning was taking place. Offering the possibility of alternative ways of doing things was something that was really appreciated.

At the end of information sessions, beneficiaries are requested to sign a form stating that they have been issued with a user's handbook as future reference and that they attended.

Final Report On Grant Program

As at 15th September 2003 the Roll Over Fund has assisted to facilitate credit forms of assistance for housing and services to 105 community beneficiaries in Ocean View, enabling it to expand and creating an environment through which greater scaled sustainable housing delivery can take place. The grant has also provided technical advisory services and an auxiliary service in the form of purchasing, provision and production of building materials, costing and provision of a labour component through the community building teams. The technical office is further providing a service that monitors the usage of the roll over fund and provides progress reports during the building process.

Impact

- 105 households having access to credit
- 105 families empowered through training and outreach programmes.
- An enhanced awareness, culture of savings and loan repayment among beneficiaries and community residents has been made available to 105 beneficiaries whom did not know about this form of assistance.
- Technical assistance provided to 105 beneficiary households and community residents.
- In total 81 beneficiaries have managed to build to roof height and 52 of the 81 actually have habitable shelter.

- 24 of the total 105 have encountered financial difficulties and alternate mechanisms to assist them have been made strategically to provide assistance later in the process.

System Assessment

An increase in savings and repayment rates has been calculated since the inception of the Roll Over Fund and boasts a 100% repayment trend.

Since the inception of USAID funding in May 2002, the Ocean View Development Trust has made available Revolving credit to the amount of R300060, 00 to its beneficiaries.

Subsequently an amount of R202344, 42 have been repaid by beneficiaries up unto the 30 June 2003.

Cognizance should be taken during the period when trends decline, that beneficiaries normally repay double in order to stay consistent with repayments.

One trait that definitely stands out in the trends is the fact that over the festive season, that is December to January, beneficiaries are likely to abstain or pay less due to tradition at Christmas time and students going back to school which requires all sorts of debt to equip these individuals with the necessary tools.

Against the background of fragile economics it should be noted that repayment overall has been consistent, at an average of R15601, 10 per month.

Shelter and service improvements from loan proceeds, has been reported by the Technical advisor, through technical reports which stipulates stages that beneficiaries have achieved during the building process.

Customer surveys indicating improved loan products has attributed to more negotiations with suppliers to maximize the credit availability for beneficiaries to go further and gain value for money.

Recommendation

Due to the nature of the repayment trend it should be noted that the roll over fund has made considerable impacts on beneficiary's livelihoods and has contributed positively to a healthy culture of savings.

Taking the latter into consideration beneficiaries has moved towards self realization and has found the roll over method as a means to alternate credit assistance to be a cornerstone of accessing funds to completing their housing processes and the accessibility of redeeming the funds only enhanced the positive attitude towards the repayment trends overall.

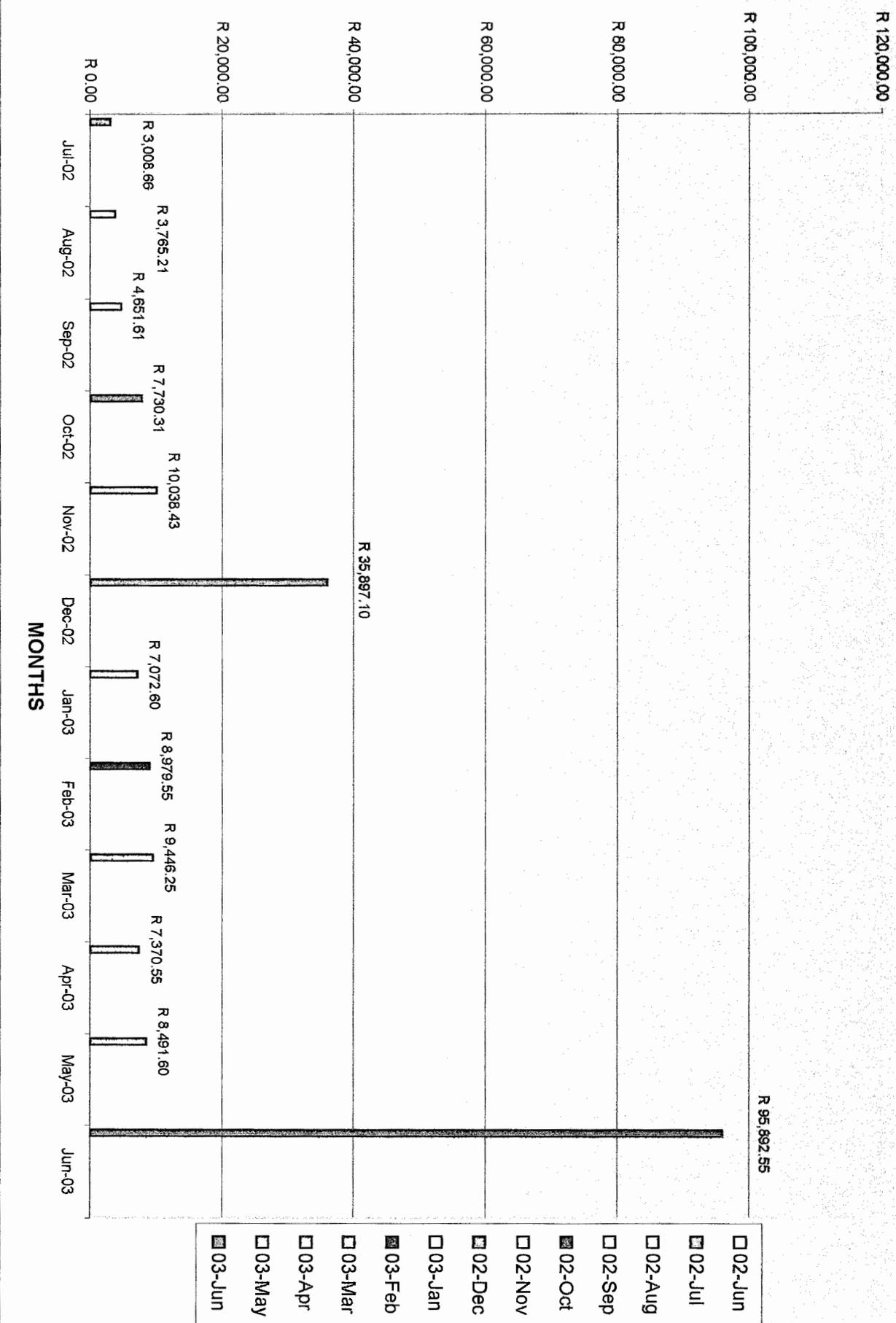
The ability of the Ocean View Development Trust to negotiate on behalf of beneficiaries has reduced the tiresome exercise of individuals acting in their own capacity to negotiate and has become one of the most cost effective mechanisms in acquiring building material.

The technical advise service available to beneficiaries verified to be an immense support in the building process to guide and provide beneficiaries with the correct and most cost effective methods of building, without compromising inferior material or labour at the risk of inferior housing.

The redeployment of the subsidy administrator has provided impetus towards the facilitation of the roll over fund by keeping beneficiaries informed of funds available to strategically plan the building processes in terms of what is needed versus what is wanted to strive and accomplish maximum benefit for beneficiaries.

The ongoing housing outreach and education through the process of one on one liaison with beneficiaries led to individuals being more open to enquiring about issues that were not understood and had greater scaled impact on individuals being addressed with problem areas that required attention.

It is with the above achievements that the Ocean View Development Trust would pursue greater interventions from funding sources to act on its recommendations of an alternate credit system like the Roll Over fund to be continued in the Ocean View area and other areas in its surrounding to provide momentum to the peoples housing process, based purely on its uniqueness and its accomplishments.



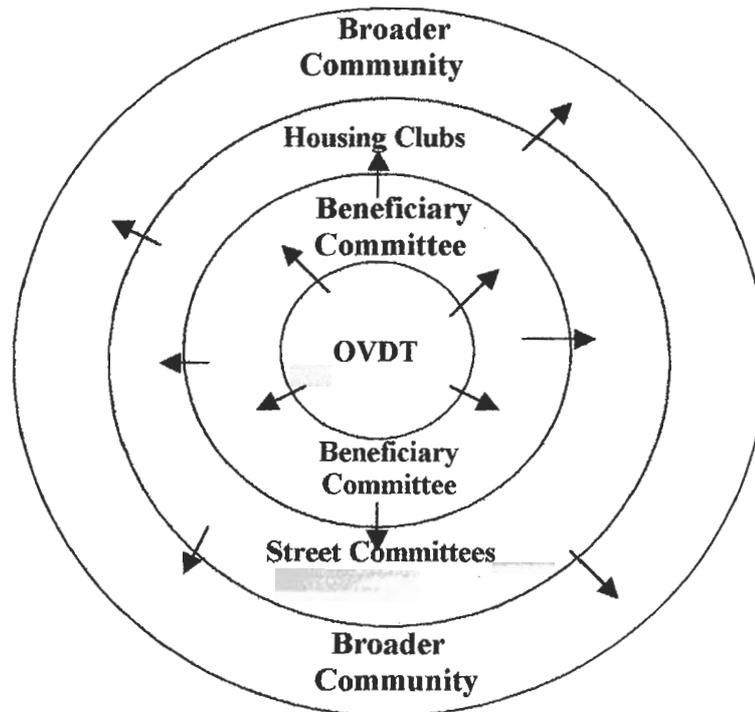
Grant Activity Completion Report

1. Name of Organisation	OCEAN VIEW DEVELOPMENT TRUST
2. Grant Activity	OCEAN VIEW SHELTER ACCESS CONSOLIDATION PROGRAM
3. Briefly describe the grant objectives achievements and impact as a result of the grant activities implemented during the grant period.	
<p>The Roll Over Fund has assisted to facilitate credit forms of assistance for housing and services to 105 community beneficiaries in Ocean View, enabling it to expand and creating an environment through which greater scaled sustainable housing delivery can take place. The grant has also provided technical advisory services and an auxiliary service in the form of purchasing, provision and costing of building materials, and the provision of a labour component through the community building teams. The technical office further provided a service that monitored the usage of the Roll Over Fund and provided progress reports during the building process.</p> <p>Impact</p> <ul style="list-style-type: none"> • 105 households assisted to obtain shelter/urban services through the provision of credit and subsidies. • 105 families empowered through training and outreach programmes. • An enhanced awareness, culture of savings and loan repayment among beneficiaries and community residents has been made available to 105 beneficiaries whom did not know about this form of assistance. • Technical assistance provided to 105 beneficiary households and community residents. • In total 81 beneficiaries have managed to build to roof height and 52 of the 81 actually have habitable shelter. - 24 of the total 105 have encountered financial difficulties and alternate mechanisms to assist them have been made strategically to provide assistance later in the process. 	
4. Briefly discuss the implementation process, including lessons learned and recommendations	
<p>Technical Advisory Service The technical advise service available to beneficiaries verified to be an immense support in the building process to guide and provide beneficiaries with the correct and most cost effective methods of building, without compromising inferior material or labour at the risk of inferior housing.</p> <p>Subsidy & Credit Administration The redeployment of the subsidy administrator has provided impetus towards the facilitation of the Roll Over Fund by keeping beneficiaries informed of funds available to strategically plan the building processes in terms of what is needed versus what is wanted to strive and accomplish maximum benefit for beneficiaries.</p> <p>Housing Education Workshops The ongoing housing outreach and education through the process of one on one liaison with beneficiaries led to individuals being more open to enquiring about issues that were not understood and had greater scaled impact on individuals being addressed with problem areas that required attention.</p> <p>Recommendation Due to the nature of the repayment trend it should be noted that the Roll Over Fund has made considerable impacts on beneficiary's livelihoods and has contributed positively to a healthy culture of savings.</p> <p>Taking the latter into consideration beneficiaries has moved towards self realization and has found the roll over method as a means to alternate credit assistance to be a cornerstone of accessing funds to completing their housing processes and the accessibility of redeeming the funds only enhanced the positive attitude towards the repayment trends overall.</p> <p>The ability of the Ocean View Development Trust to negotiate on behalf of beneficiaries has reduced the tiresome exercise of individuals acting in their own capacity to negotiate and has become one of the most cost effective mechanisms in acquiring building material.</p> <p>It is with the above achievements that the Ocean View Development Trust would pursue greater interventions from funding sources to act on its recommendations of an alternate credit system like the Roll Over fund to be continued in the Ocean View area and other areas in its surrounding to provide momentum to the peoples housing process, based purely on its uniqueness and its accomplishments.</p>	

Grant Activity Completion Report

5. Public Dissemination: GMAC requires that all grant activity deliverable(s) of the grant activity (e.g., a report or survey) must be made available to the general public. Briefly discuss how the grants activities and results were made accessible to interested parties.

The organisation made use of a concentric core dissemination strategy in order to reach its beneficiary community, which included leaders within housing clubs or street committees. In this way the message was penetrated throughout the community. The Loan Administrator liaised and consulted with beneficiaries on a one on one basis and collective workshops on how the Roll Over Fund can be utilized to its fullest. Each beneficiary of the Roll Over Fund system has been provided with a user's handbook.



GMAC Grantee Semi-Annual Report

Grantee: Ocean View Development Trust
 Agreement No: 0040-0202-G-GA6

Report for period: OCTOBER 1, 2002 through SEPTEMBER 30, 2003

Section 1: USAID Performance Indicator Tracking: IR6.2 Previously ineligible household's developers, builders and municipal service providers obtaining access to credit.

Indicator No.	Description	Unit of Measure	Planned	Actual	Comments
1	Rand value of credit and subsidies obtained for households for the historically disadvantaged people (HDP) shelter and urban service provision	Total Rand value obtained	R179,040	R194,040	Of The 105 Households Assisted: 38 households obtained access to credit during this period. totaling R 106.060 53 households obtained access to subsidies during this period. totaling R87.980
2	Number of households assisted to obtain shelter/urban services through the provision of credit and subsidies to low-income communities.	Number of households	48	53	

Section 2: NGO and Third Party Counterpart Contribution Tracking

Source	Cash Contribution (ZAR)		Rand value of In-Kind Contribution		Comments
	Planned	Actual	Planned	Actual	
GO	R0.00	R79,000.00	R0.00	R237,000	
Third Party	R250,920.41	R198,920.41	R0.00	R0.00	In-Kind Contribution (Basis for calculation): (1) Staff Time = Remuneration Amount Received minus Actual Remuneration Expended. (2) Office Resources = Maintenance, Printing and Telephone & Fax Cost Allocated Per Month minus Actual Expenditure Cost minus Total Cost of Average Number (10) of Households Using Office Resources Per Day

In my capacity as the grantee agent, I hereby certify that to the best of my knowledge, the above information is correct.

Authorized Signature: 
Trevor Edwards

Date: 10.10.2003

INTERMEDIATE RESULT NAME -- IR6.2.2

Households Assisted To Obtain Shelter And Services With The Availability Of USAID Funding

- ✦ During this reporting period 38 families have been assisted with an overall 105 families.
- ✦ Of the 105 families, 59 Families now reside within these structures. These homes are habitable, although much interior and external work needs to be done. The OVDT will persist with its strategy of lending support in order to help beneficiaries to fulfill their dreams.
- ✦ The progress of some families is slow. This is due to a range of factors stemming from lack of sufficient mutual aid to general incapacity. Shelters are constructed from brick and mortar and vary in size from 36 square meters to 100 square meters. Many beneficiaries develop their homes in stages and over a period of time. Infrastructure is in existence and only needs to be connected on application to the Local Authority.
- ✦ For the period May 2002 to September 2003, the fund has planned to assist 100 beneficiaries with a maximum loan of 3,000. 105 families have received direct help from the fund, amounting to a total of R 303,060.00.
- ✦ Up to March 2003, R87, 849.72 have been repaid.

INTERMEDIATE RESULT NAME-- IR6.3.1

**Services Provided To Community
(Counterpart Contribution In-Kind)**

- ✦ Project administration and Programme Facilitation - 2 Staff Members
- ✦ Suppliers Negotiated For Best Services - 9 Suppliers
- ✦ Community Builders Acting As Emerging Contractors - 2 Teams (± 20 people)
- ✦ Capacity Building of - 697 Beneficiary families
- ✦ Land Acquisition Programme - 1700 families
- ✦ Economic Development Programme - Community at large
- ✦ Housing Outreach Programmes - Ocean View/Masiphumelele/
Simonstown and Red Hill
Communities.