



# Executive Summary Report

## 1] Project Description & Strategic Case

|                 |                                                              |
|-----------------|--------------------------------------------------------------|
| Project Name    | Rural area Housing                                           |
| Location        | Bergvriër Local Municipality                                 |
| Sector          | Energy & Water                                               |
| Department      | Department of Environmental Affairs and Development Planning |
| Project Owner   | Poonam Yawalkar                                              |
| Project Manager | Poonam Yawalkar                                              |

## Project Scope

1. **Adequate, affordable homes**
2. Deliver fit-for-purpose rural units (new builds, upgrades, serviced sites) with basic services.
3. **Secure tenure & inclusive land access**
4. Provide legally recognized tenure options suited to rural contexts (title, PTO, long-term lease/communal tenure).
5. **Serviced, resilient settlements**
6. Reliable water, sanitation, all-weather access, off-grid/mini-grid power where feasible, and climate-smart layouts.
7. **Livelihoods & local value capture**
8. Link housing to agriculture, tourism, small enterprise, and public works to grow rural incomes.
9. **Spatial justice & social cohesion**
10. Locate housing near schools, clinics, transport, markets; promote mixed typologies and safe public spaces.
11. **Sustainable delivery & lifecycle management**
12. Build for durability, low O&M costs, and local maintenance capacity; plan for long-term asset management.
13. **Transparent governance & community partnership**
14. Co-design with communities, clear beneficiary selection, grievance redressal, and open reporting.
15. **Cost efficiency & funding leverage**
16. Blend grants, provincial/municipal budgets, concessional finance, and developer/impact capital where appropriate.

## Focus Areas (HOW we deliver)

### 1) Land & Tenure

1. Identify suitable, hazard-free parcels; secure rights; resolve overlaps with agriculture/communal/trust lands.
2. Offer tenure instruments matched to local land systems; fast-track surveying and registration.

### 2) Planning & Settlement Design

1. Rural-appropriate densities; expandable core units; clustering around social facilities.
2. Climate-aware layouts (drainage, wind/sun orientation, buffer zones); universal access and safety-by-design.

### 3) Basic Services & Infrastructure

1. Potable water (borehole, reticulation, or community standpoints with storage); improved sanitation (VIP/UDDT/septic as context dictates).
2. Energy via grid extension or mini-grids/SHS; clean cooking options.
3. Stormwater, all-weather roads, footpaths, street lighting, solid-waste management.

## 4) Construction & Materials

1. Use locally available, compliant materials; consider alternative building technologies where cost-effective.
2. Quality assurance (lab tests, site supervision, snagging), and labour-intensive methods to maximize local jobs.

## Justification

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### Background

The Western Cape is one of South Africa's most diverse provinces, with a combination of urban centres, agricultural regions, and expansive rural communities. Rural areas in the province are characterised by farming settlements, small towns, and remote communities that often experience limited access to basic services, infrastructure, and formal housing.

1. **Housing Backlog:** The Western Cape, like other provinces, faces a significant housing backlog, particularly in rural regions where informal settlements and inadequate housing remain common.
2. **Socioeconomic Disparities:** Rural communities often have lower income levels, limited employment opportunities, and less access to quality education and healthcare compared to urban centres.
3. **Migration Trends:** Seasonal and permanent migration between rural and urban areas creates pressure on both housing and service delivery, while many farm workers and their families live in substandard or overcrowded housing conditions.
4. **Policy Context:** National and provincial governments have prioritised rural development, with housing forming a key pillar under initiatives like the **Integrated Rural Development Strategy** and the **Western Cape Human Settlements Strategic Plan**.

## Justification

1. **Addressing the Housing Backlog**
2. Expanding housing provision in rural areas is critical to reduce the backlog and improve the quality of life for vulnerable households. Affordable, well-planned housing ensures dignity and security of tenure.
3. **Socioeconomic Development**
4. Adequate housing supports rural economic development by providing stable living conditions for workers, especially in agricultural sectors that are central to the Western Cape's economy. It also encourages skills development and local construction employment opportunities.
5. **Improved Service Delivery**
6. Housing projects in rural areas can be integrated with essential services (water, sanitation, electricity, roads), which enhances overall living standards and reduces health and safety risks associated with informal dwellings.
7. **Curbing Urban Migration Pressure**
8. By providing decent housing and services in rural areas, the strain on urban centres (Cape Town, George, Stellenbosch, etc.) can be reduced, as people are less likely to migrate in search of better living conditions.
9. **Alignment with Policy & Rights**
10. The South African Constitution enshrines the right to adequate housing. Rural housing initiatives in the Western Cape contribute towards fulfilling this right, while aligning with national development priorities and provincial strategies.
11. **Social Cohesion & Stability**
12. Secure housing fosters stronger, more stable communities, reducing social tensions linked to overcrowding, tenure insecurity, and informal settlement growth.

## Sector Specific Analysis

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### • Lack of access to water

Many rural communities face insufficient access to reliable water sources for domestic use, agriculture, and sanitation. This limits agricultural productivity, increases health risks, and raises the cost-of-service delivery. Water scarcity also affects housing developments, as adequate water infrastructure is a prerequisite for sustainable settlements.

### • Inadequate transportation infrastructure

Poor road networks and limited public transport options hinder access to markets, healthcare facilities, schools, and employment opportunities. This results in social isolation, higher logistics costs, and restricted economic participation. In rural housing projects, inadequate transport infrastructure also complicates the supply of construction materials and access

for contractors.

- **Limited digital connectivity**

Low internet penetration and weak digital infrastructure limit access to online services, education, e-commerce, and digital financial systems. The digital divide prevents rural populations from fully engaging in modern economic activities, reducing opportunities for entrepreneurship and innovation. For housing projects, it restricts the ability to implement digital procurement, e-governance, and smart community solutions.

- **Other**

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## Market Size And Demand Analysis

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### 1] Total Addressable Market (TAM)

- **Population served by a transport corridor**

This refers to the number of people who directly benefit from improved connectivity, accessibility, and reduced travel times along the transport corridor. It includes residents, commuters, businesses, and service providers within the affected area.

- **Households needing water access**

Represents households in rural and peri-urban areas without reliable, safe, or affordable access to clean drinking water. This data helps identify gaps in service delivery and informs infrastructure planning.

- **Data sources**

- **Demographic**

Census 2022 (Stats SA), Community Survey reports, household surveys.

- **Geographic**

Western Cape Spatial Data (WCSDP), Municipal Infrastructure GIS data, land use and settlement maps.

- **Economic**

Provincial Economic Review & Outlook (PERO), Western Cape Treasury reports, local economic development studies.

- **Other**

Environmental Impact Assessments (EIA), Department of Water and Sanitation (DWS) reports, municipal IDPs (Integrated Development Plans).

- **Other**

Field surveys, stakeholder consultations, and reports from NGOs or civil society working on rural development and service delivery.

### 2] Served Available Market (SAM)

- **Location**

Cape town

- **Capacity**

100000

- **Are there any envisaged Operational constraints?**

Yes

- **Which of the following criteria is being used to support this analysis in terms of Segmentation?**

- **Income**

100000

- **Region**

The focus area is South Cape Town, which helps narrow the analysis to specific geographic, demographic, and infrastructure-related characteristics unique to that locality.

- **Service level**

Access to basic services such as water, sanitation, electricity, and digital connectivity. This segmentation ensures that the population can be grouped based on the type and quality of services they currently receive.

- **Other**  
Household Size & Composition – Segmentation based on the number of people per household (e.g., large families vs. smaller households) to understand demand patterns.
- **Other**  
Housing Type – Differentiating between informal settlements, formal low-cost housing, and private dwellings.

3] Demand Forecasting

- **Projections of usage over time**
  - **traffic volumes**  
Projected traffic volumes are expected to increase steadily over the next decade, influenced by urbanization, expansion of economic activity, and population growth. Peak-hour congestion may rise significantly, requiring capacity upgrades and smarter mobility solutions to manage scale and complexity.
  - **energy consumption**  
Energy demand will scale with both residential and industrial growth. The complexity lies in balancing traditional energy sources with renewable integration, ensuring grid stability, and meeting sustainability commitments. Demand-side management, storage technologies, and decentralized generation add further layers of complexity.
  - **housing uptake**  
Housing uptake will scale in line with demographic growth, rural-to-urban migration, and policy-driven affordable housing programs. The complexity is heightened by land availability constraints, financing mechanisms, and the need for integrated service delivery (water, sanitation, and transport).
  - **Other**  
Digital connectivity usage is projected to expand rapidly, driven by broadband penetration, mobile adoption, and e-governance services. The complexity involves addressing infrastructure gaps in underserved areas while scaling networks to meet high data demand and emerging technologies.
- **Informed by**
  - **historical data**  
Past trends in population growth, infrastructure utilization, and service demands provide a baseline for projecting future scale and complexity.
  - **growth trends**  
Economic expansion, urbanization, and migration patterns highlight where demand will scale most significantly, requiring complex, multi-sectoral responses.
  - **policy targets**  
National and provincial development frameworks, renewable energy targets, and housing delivery commitments shape the scale of infrastructure needs and add complexity in aligning resources with objectives.
  - **Other**  
Climate adaptation requirements and sustainability imperatives create additional layers of complexity in planning, requiring resilient infrastructure and low-carbon transitions.
- **Other**  
Peak-hour congestion may rise significantly, requiring capacity upgrades and smarter mobility solutions to manage scale and complexity.

2] Project Status & Implementation

Regulatory & Environmental Approvals

|                |                             |                         |
|----------------|-----------------------------|-------------------------|
| National Level | Provincial And Local Levels | Other Relevant Entities |
|----------------|-----------------------------|-------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Department of Forestry, Fisheries and the Environment (DFFE): Responsible for environmental management, conservation, and protection in South Africa</li> <li>• South African National Biodiversity Institute (SANBI): Plays a leading role in biodiversity management and research</li> <li>• Environmental Management Inspectors (EMIs): Responsible for compliance and enforcement of environmental regulations</li> <li>• National Environmental Management Act (NEMA): Governs environmental management and authorization processes, including Environmental Authorizations (EAs)</li> <li>• Environmental Management Frameworks (EMFs): Strategic planning tools for land-use and environmental management decisions</li> </ul> | <ul style="list-style-type: none"> <li>• Provincial Environmental Departments: Implement and enforce environmental regulations within provinces</li> <li>• Municipalities: Play a role in environmental management, especially in land-use planning and development applications</li> </ul> | <ul style="list-style-type: none"> <li>• Environmental Assessment Practitioners Association of South Africa (EAPASA): Voluntary certification body for Environmental Assessment Practitioners</li> <li>• Councils for the Built Environment Professions (CBEP): Regulates professions involved in the built environment</li> <li>• Wildlife and Environment Society of South Africa (WESSA): Non-profit organization involved in environmental conservation and education</li> <li>• Other</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Identify Key Stakeholders

### Government

| Name                                                 | Engagement Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department of Public Works and Infrastructure (DPWI) | The DPWI plays a central role in coordinating and implementing housing-related infrastructure projects. It is responsible for ensuring that rural housing developments are aligned with national infrastructure priorities, sustainable construction practices, and equitable land use. The department also facilitates partnerships with provincial and local authorities to ensure housing delivery meets the needs of rural communities.            |
| Infrastructure South Africa (ISA)                    | ISA acts as a technical and strategic support unit under the DPWI, driving infrastructure investment planning and project preparation. For rural housing in the Western Cape, ISA provides expertise in project structuring, investment mobilization, and ensuring projects are bankable and sustainable. It helps bridge the gap between policy intent and implementation by linking government housing priorities with private sector participation. |
| National Treasury                                    | Treasury ensures sound financial governance, budget allocation, and oversight for rural housing programs. It provides fiscal frameworks that guide funding models for rural housing, including conditional grants to provinces and municipalities. National Treasury also evaluates financial risks, ensures transparency, and enforces compliance with expenditure regulations to promote value for money in rural housing delivery.                  |

### State-Owned Entities

| Name                                       | Engagement Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Development Bank of Southern Africa (DBSA) | The DBSA is a key developmental finance institution that provides funding, technical support, and advisory services for infrastructure and socio-economic projects. In the context of rural housing, the DBSA plays a critical role in financing large-scale housing developments, supporting sustainable infrastructure (roads, water, sanitation, and energy), and ensuring alignment with government's integrated rural development strategies. Their involvement helps bridge funding gaps and enhances the financial viability of rural housing initiatives. |
| Industrial Development Corporation (IDC)   | The IDC is a state-owned development finance institution that promotes industrial and economic growth. In rural housing projects, the IDC can contribute by financing local construction industries, supporting small and medium enterprises (SMEs) involved in building materials, and fostering job creation within rural communities. Their role focuses on stimulating economic activity around housing developments, ensuring that rural housing not only provides shelter but also drives local economic empowerment.                                       |
| Eskom                                      | As South Africa's primary electricity utility, Eskom is responsible for ensuring reliable energy supply to rural housing projects. Eskom's role involves connecting new housing units to the national grid, expanding rural electrification programs, and incorporating renewable energy solutions where feasible. Reliable access to electricity is a cornerstone of improving living standards in rural areas, enabling households to benefit from modern services, education, healthcare, and small-scale business opportunities.                              |

### Private Entities

| Name | Engagement Strategy |
|------|---------------------|
|------|---------------------|

|                        |                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Construction Companies | Construction companies play a critical role in the execution of rural housing projects. They are responsible for site preparation, building housing units, and ensuring that construction meets safety, quality, and sustainability standards. Their expertise directly impacts the speed, cost-effectiveness, and durability of the housing infrastructure delivered to rural communities.               |
| Engineering Firms      | Engineering firms provide the technical expertise required to design and oversee infrastructure development. They handle structural, civil, electrical, and environmental engineering aspects of rural housing projects. Their role ensures that the housing solutions are resilient, climate-adaptive, and integrated with necessary infrastructure such as roads, water supply, and sanitation systems. |
| Financial Institutions | Financial institutions, including banks, microfinance organizations, and development finance agencies, facilitate access to funding for rural housing. They provide loans, grants, and financial products tailored to developers, contractors, and beneficiaries. Their involvement is key in ensuring financial viability, affordability for residents, and long-term sustainability of projects.        |

### Civil Entities

| Name                                                       | Engagement Strategy                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Civil society organizations advocating for community needs | These groups, including NGOs, community-based organizations, and advocacy networks, ensure that housing projects are inclusive and address the real needs of rural residents. They play a critical role in community engagement, social accountability, and safeguarding the rights of vulnerable groups. |

### Other Stakeholders

| Name                                                                     | Engagement Strategy                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Development Finance Institutions (DFIs)                            | DFIs provide financial support and instruments tailored to infrastructure and housing development in rural areas. They help de-risk projects, mobilize investment, and provide affordable financing mechanisms to ensure long-term sustainability and accessibility.                                                   |
| Sustainable Infrastructure Development Symposium - South Africa (SIDSSA) | SIDSSA serves as a national platform to align infrastructure projects with sustainable development goals, mobilize partnerships, and attract investment. It facilitates collaboration between government, private sector, and international stakeholders to fast-track priority projects such as rural housing.        |
| Other                                                                    | Other stakeholders include academic and research institutions, traditional leaders, professional bodies, and international development agencies. Their roles range from providing technical research and skills training to ensuring cultural sensitivity, regulatory compliance, and access to global best practices. |

## 3] Governance, Policy & Enabling Environment

### Legal And Regulatory Framework

- Procurement and Supply Chain Management
  - Preferential Procurement Policy Framework Act (PPPFA)
  - Western Cape Procurement Regulations
  - Use of the Western Cape Supplier Evidence Bank (WCSEB)
  - Compliance with tender procedures and transparency requirements
  - Other
 

The digital divide prevents rural populations from fully engaging in modern economic activities, reducing opportunities for entrepreneurship and innovation.
- Other
- Environmental and Land Use Planning
  - Western Cape Land Use Planning Act (LUPA)

- Environmental Impact Assessment (EIA)
- Other
  - In rural housing projects, inadequate transport infrastructure also complicates the supply of construction materials and access for contractors.
- Public Finance and Governance
  - Provincial Treasury Instructions and Budget Guidelines
  - Public Finance Management Act (PFMA)
- Health and Social Services
  - Provincial health regulations
  - National Health Act
  - Other
    - Limited access to quality schools and clinics constrains human capital development.
- Education
  - Provincial education policies
  - South African Schools Act
  - Other
    - Limited access to quality schools and clinics constrains human capital development.
- Transport and Infrastructure
  - Related transport regulations
  - Western Cape Road Traffic Act
- Human Settlements and Housing
  - Provincial housing frameworks
  - Housing Act
- Economic Development
  - Tourism
  - Agriculture
  - Enterprise development
  - Green Economy Strategy
  - Other
    - Poor road networks and limited public transport options hinder access to markets, healthcare facilities, schools, and employment opportunities.
- Environmental Compliance
  - Must comply with waste management and biodiversity regulations
  - Requires Environmental Impact Assessments (EIAs) for certain developments

## Governance Policies

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- National Development Plan (NDP)
- Strategic Infrastructure Projects (SIPs)
- Relevant Integrated Development Plans (IDPs)
- Infrastructure South Africa (ISA)

- Budget Facility for Infrastructure (BFI)

Investment Needs

| Sr | Name                              | Description                                                                                                                                                                                                                |
|----|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Infrastructure Development        | <ul style="list-style-type: none"><li>• Roads, bridges, and public transport systems.</li><li>• Upgrades to water and sanitation infrastructure.</li><li>• Renewable energy installations and grid improvements.</li></ul> |
| 2  | Human Settlements                 | <ul style="list-style-type: none"><li>• Affordable housing projects.</li><li>• Informal settlement upgrades.</li><li>• Mixed-use urban development.</li></ul>                                                              |
| 3  | Healthcare                        | <ul style="list-style-type: none"><li>• Digital health systems and telemedicine.</li><li>• Expansion and modernization of clinics and hospitals.</li><li>• Medical equipment and pharmaceutical supply chains.</li></ul>   |
| 4  | Education                         | <ul style="list-style-type: none"><li>• School infrastructure and maintenance.</li><li>• Digital learning platforms and connectivity.</li><li>• Teacher training and curriculum development.</li></ul>                     |
| 5  | Agriculture and Agri-processing   | <ul style="list-style-type: none"><li>• Investment in climate-resilient farming.</li><li>• Agro-logistics and cold chain infrastructure.</li><li>• Support for emerging farmers and cooperatives.</li></ul>                |
| 6  | Green Economy                     | <ul style="list-style-type: none"><li>• Renewable energy (solar, wind, bioenergy).</li><li>• Waste-to-energy and recycling initiatives.</li><li>• Water conservation and efficiency technologies.</li></ul>                |
| 7  | SMME and Entrepreneurship Support | <ul style="list-style-type: none"><li>• Business incubators and innovation hubs.</li><li>• Access to finance and market linkages.</li><li>• Skills development and mentorship programs.</li></ul>                          |
| 8  | Tourism and Cultural Investment   | <ul style="list-style-type: none"><li>• Infrastructure for eco-tourism and heritage sites.</li><li>• Hospitality training and development.</li><li>• Event hosting and destination marketing.</li></ul>                    |

Policy Incentives

1. **Sector-Focused Incentives**
  - a. Agri-processing: Support for infrastructure, logistics, and export readiness.
  - b. Green Economy: Incentives for renewable energy, water efficiency, and waste-to-energy projects.
  - c. Technology and Innovation: Support for ICT hubs, fintech, and digital startups.
  - d. Tourism and Film: Rebates and grants for film production and tourism infrastructure.
2. **Investment Ecosystem Support**
  - a. Film Incentive Scheme: Assesses and supports the impact of film-related investments.
  - b. Sector IQ: Provides data-driven insights to guide investment decisions.
  - c. Municipal Investment Readiness Programme: Helps municipalities prepare for and attract investment.
3. **Business Support and Facilitation**
  - a. Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

- b. Access to government incentives
- c. Market intelligence
- d. Regulatory guidance
- e. Site selection assistance
- f. Other

4. National Incentives Accessible in the Western Cape Via the Department of Trade, Industry and Competition (DTIC)

- a. Other
- b. Black Industrialists Scheme: Funding and support for black-owned manufacturing businesses.
- c. Export Marketing and Investment Assistance (EMIA): Supports international marketing efforts.
- d. SEZ Incentives: For businesses in Special Economic Zones.
- e. 12I Tax Allowance: For industrial projects.

5. Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

4] Financial Requirements & Funding Strategies

Cost-Effectiveness Analysis (CEA)

| Project Component       | Intervention Type | Estimated Cost (ZAR) | Expected Outcome              | Effectiveness Metric | Timeframe |
|-------------------------|-------------------|----------------------|-------------------------------|----------------------|-----------|
| Roads                   | Upgrade           | R 100,000            | Households connected to water | Cost per km          | 3 month   |
| Infrastructure material | Maintenance       | R 50,000             | Material                      | Cost per household   | 12 month  |

Cost-Benefit Analysis (CBA)

| Item/Activity | Type    | Category      | Timeframe | Description                                                                                                                                                                                        | Amount      | Discount Amt | Present Value (PV) | Net Benefit |
|---------------|---------|---------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|--------------------|-------------|
| Item 1        | Cost    | Operational   | Year 1    | Increased property values boosting local municipal revenues (rates, taxes).                                                                                                                        | R 1,200,000 | R 12,000     | R 2,300,000        | R 2,288,000 |
| Item 2        | Benefit | Environmental | Year 1    | New subsidy houses (BNG-type, 40 m² min.) vs. B. In-situ upgrading (UISP-type: tenure + services, incremental top structures). B is often the benchmark in rural contexts where settlements exist. | R 100,000   | R 10,000     | R 150,000          | R 140,000   |

Risk Evaluation

| Risk Category | Likelihood | Impact Severity | Risk Score | Timeframe    | Risk Description               | Mitigation Strategy   | Residual Risk  | Responsible Party   | Monitoring Plan                                                                                                     |
|---------------|------------|-----------------|------------|--------------|--------------------------------|-----------------------|----------------|---------------------|---------------------------------------------------------------------------------------------------------------------|
| Environmental | 3          | 2               | 6          | Construction | Environmental approvals delays | Mitigation strategy 3 | Residual risk3 | Responsible Party 3 | Scope NEMA/EIA early; screening & baseline studies; engage Heritage Western Cape; build realistic approval timeline |

Economic Multipliers

| Sector / Scenario                 | GDP Impact | Employment Impact | Key Drivers                       | Notes                                      |
|-----------------------------------|------------|-------------------|-----------------------------------|--------------------------------------------|
| Tertiary Sector                   | Highest    | Moderate          | Construction, manufacturing       | Indirect impact via consumption            |
| Transport & Telecoms (Scenario 2) | Long-term  | High              | Electricity, water infrastructure | Most effective in stimulating broad growth |

Macro-Economic Benefits

| Benefit Category       | Estimated Impact             | Sectoral Relevance    | Policy Alignment                                 |
|------------------------|------------------------------|-----------------------|--------------------------------------------------|
| Sectoral Spillovers    | 0.15% Employment (Secondary) | Social Infrastructure | Economic Reconstruction and Recovery Plan (ERRP) |
| Investment Crowding-In | Increased private investment | Energy, Water Supply  | National Development Plan (NDP)                  |

5] Financial Requirements & Funding Strategies

Project Guestimate

|                |             |
|----------------|-------------|
| Estimated Cost | R 2,500,000 |
|----------------|-------------|

Total Project Cost Breakdown

1] Cost Category : Capital Expenditure (CAPEX)

| Description                  | Estimated Cost (ZAR) | Notes                                                             |
|------------------------------|----------------------|-------------------------------------------------------------------|
| Land Acquisition & Site Prep | R 10,000             | Purchase/lease of land, surveys, legal fees, clearance & leveling |
| Design & Engineering         | R 12,000             | Architectural, structural, civil, electrical & mechanical design  |
| Construction & Civil Works   | R 1,800,000          | Building works, foundations, housing units, roads, drainage       |
| Equipment & Materials        | R 100,000            | Building materials, prefabricated units, tools, machinery         |
| Utility Connections          | R 15,000             | Electricity, water, sanitation, ICT, renewable energy systems     |
| Contingency                  | R 10,000             | Electricity, water, sanitation, ICT, renewable energy systems     |

2] Cost Category : Development Costs

| Description                   | Estimated Cost (ZAR) | Notes                                                                                                                                                                                                                          |
|-------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Feasibility Studies           | R 50,000             | Covers technical, financial, and environmental feasibility assessments.                                                                                                                                                        |
| Legal & Regulatory Compliance | R 30,000             | Legal advisory, permits, environmental approvals, and compliance checks.                                                                                                                                                       |
| Stakeholder Engagement        | R 100,000            | Includes community consultations, workshops, surveys, and public meetings to ensure alignment with local needs and regulatory bodies. Dummy data: 10 workshops @ R15,000 each = R150,000; communication & outreach = R100,000. |
| Project Management            | R 75,000             | Professional project management team fees, reporting, monitoring, and evaluation.                                                                                                                                              |

3] Cost Category : Operational Expenditure (OPEX)

| Description             | Estimated Cost (ZAR) | Notes                                      |
|-------------------------|----------------------|--------------------------------------------|
| Staffing & Operations   | R 10,000             | Ongoing maintenance, security, admin staff |
| Maintenance & Repairs   | R 5,000              | Routine upkeep, replacement of minor parts |
| Utilities & Consumables | R 800                | Electricity, water, sanitation, internet   |
| Insurance & Monitoring  | R 23,000             | Building insurance, safety compliance      |

4] Cost Category : Financing Costs

| Description                  | Estimated Cost (ZAR) | Notes                                    |
|------------------------------|----------------------|------------------------------------------|
| Interest During Construction | R 12,000             | Bank or development finance institutions |

| Description    | Estimated Cost (ZAR) | Notes                                 |
|----------------|----------------------|---------------------------------------|
| Financial Fees | R 18,000             | Legal, financial advisory & bank fees |

5] Cost Category : Lifecycle & Decommissioning

| Description       | Estimated Cost (ZAR) | Notes                                       |
|-------------------|----------------------|---------------------------------------------|
| Asset Replacement | R 5,000              | Periodic upgrades or extensions             |
| Decommissioning   | R 8,000              | Safe disposal, demolition, land restoration |

6] Cost Category : Inflation & Escalation

| Description                              | Estimated Cost (ZAR) | Notes                                           |
|------------------------------------------|----------------------|-------------------------------------------------|
| Adjustments based on Treasury guidelines | R 10,000             | Annual cost increase (materials, Laboure, fuel) |

Funding Sources

[Funding Strategy Guide for Infrastructure Projects](#)

Revenue Model

| Revenue Model Category                     | Specify                                                    | Description                                                                                  |
|--------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Traditional Municipal Revenue Models       | Property rates and taxes                                   | Conventional sources of municipal income including service charges and government transfers. |
| Public-Private Partnership (PPP) Models    | Hybrid models combining user fees and government subsidies | Collaborative models where private sector shares in financing and operating infrastructure.  |
| Value Capture and Development-Based Models | Impact fees on developers                                  | Revenue derived from increased land and property values due to infrastructure investment.    |

Innovative Financing Mechanisms

[Innovative Financing Mechanisms for Infrastructure Projects](#)

6] Project Feasibility, Approvals & Infrastructure Planning

Technical Feasibility

Assesses the practicality of implementing the project using available technology, skills, and resources. It involves evaluating engineering design requirements, construction methods, and long-term operation needs to ensure the project is technically achievable.

| Document                                    | Link                                                                                                                                                                                                                                                    |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEP Human Settlements Annual Report 2016-17 | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/DEP_Human_Settlements_Annual_Report_2016-17.pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/DEP Human Settlements Annual Report 2016-17.pdf</a> |

Master Plan Integration

Ensures the project aligns with existing regional or municipal master plans, land-use frameworks, and strategic development goals. Integration covers zoning, environmental management, transportation links, and social infrastructure to guarantee the project complements wider development strategies.

| Document                                | Link                                                                                                                                                                                                                                            |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure Development Act (No. 23) | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Infrastructure_Development_Act_(No._23).pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Infrastructure Development Act (No. 23).pdf</a> |

## Alternative Evaluation

Examines multiple scenarios or design approaches to determine the most cost-effective, sustainable, and socially beneficial option. Alternatives are evaluated against criteria such as environmental impact, financial viability, scalability, and stakeholder acceptance.

| Document                                                                              | Link                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alternative and Sustainable Infrastructure Solutions for Human Settlements_Study_2017 | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Alternative_and_Sustainable_Infrastructure_Solutions_for_Human_Settlements_Study_2017.pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Alternative_and_Sustainable_Infrastructure_Solutions_for_Human_Settlements_Study_2017.pdf</a> |

## Infrastructure Planning Prioritization

The infrastructure plan outlines the physical and service-related requirements essential for successful project delivery and long-term operation. It typically includes:

- 1. **Transport & Accessibility:** Road networks, public transit connections, pedestrian pathways, and logistics support.
- 2. **Utilities & Services:** Water supply, sewage systems, electricity, renewable energy integration, and ICT connectivity.
- 3. **Social Infrastructure:** Schools, healthcare facilities, community centers, and recreational spaces as required.
- 4. **Environmental Considerations:** Drainage, green spaces, waste management systems, and climate-resilient design.
- 5. **Phasing & Implementation:** Staged development approach that ensures infrastructure provision aligns with project growth and demand.

| Document                                   | Link                                                                                                                                                                                                                                                  |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| first_home_finance_presentation_ppra_2024_ | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/first_home_finance_presentation_ppra_2024_.pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/first_home_finance_presentation_ppra_2024_.pdf</a> |
| Extension of Security of Tenure Act (ETSA) | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Extension_of_Security_of_Tenure_Act_(ETSA).pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Extension_of_Security_of_Tenure_Act_(ETSA).pdf</a> |
| Development Facilitation Act (No. 67)      | <a href="https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Development_Facilitation_Act_(No._67).pdf">https://gov-api.devdoi.platform.org.za/uploads/project_documents/129/Development_Facilitation_Act_(No. 67).pdf</a>           |

## 7] Delivery Mechanism & Procurement Strategy

### WCG Sector Priorities

| Outcomes                                                                                                                   | Social                            | Energy & Water                    | Economic                        | Technology                      | Ecological                        |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Households have increased access to basic services and improved shelter                                                    | Short Term 1-5 YRS (Up to 2030)   | Short Term 1-5 YRS (Up to 2030)   | Short Term 1-5 YRS (Up to 2030) | Short Term 1-5 YRS (Up to 2030) | Short Term 1-5 YRS (Up to 2030)   |
| Infrastructure investment drives spatial transformation and improves spatial resilience                                    | Medium Term 5-15 YRS (Up to 2040) | Short Term 1-5 YRS (Up to 2030)   | Short Term 1-5 YRS (Up to 2030) | Short Term 1-5 YRS (Up to 2030) | Short Term 1-5 YRS (Up to 2030)   |
| Investment in social infrastructure improves access to health, education, social development, and recreation opportunities | Medium Term 5-15 YRS (Up to 2040) | Medium Term 5-15 YRS (Up to 2040) | Short Term 1-5 YRS (Up to 2030) | Short Term 1-5 YRS (Up to 2030) | Medium Term 5-15 YRS (Up to 2040) |

|                                                                                                                                  |                                    |                                      |                                    |                                      |                                      |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Mobility systems and transportation corridors provide safe and efficient connectivity to opportunities, services, and facilities | Short Term 1-5 YRS<br>(Up to 2030) | Medium Term 5-15 YRS<br>(Up to 2040) | Short Term 1-5 YRS<br>(Up to 2030) | Medium Term 5-15 YRS<br>(Up to 2040) | Medium Term 5-15 YRS<br>(Up to 2040) |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|

Current Planning Phase

- **Initiation**

**Needs Assessment:** Identify housing shortages, poverty levels, land availability, and infrastructure gaps in rural communities.

**Stakeholder Engagement:** Involve government (DPWI, ISA, local municipalities), communities, NGOs, and private sector.

**Feasibility Study:** Assess technical, financial, environmental, and social feasibility.

**Policy Alignment:** Ensure compliance with national housing policies and provincial strategies.

1] Phase 1  
Approval & Funding: Secure budget allocations, grants, and possible PPP (public-private partnerships).

2] Phase 2  
Phase 2 Description
- **Design**

Architectural & Structural Design: Develop housing layouts suitable for rural contexts (climate-resilient, sustainable, cost-effective).

Infrastructure Planning: Water, sanitation, electricity, roads, digital access.

Community-Centric Design: Incorporate cultural, social, and livelihood needs.

1] Phase 1  
Ensure compliance with sustainability standards.

2] Phase 2  
Procurement Planning: Establish tender requirements, supplier selection criteria, and local content inclusion.
- **Develop**

Resource Mobilization: Secure materials, skilled labor, and local suppliers.

Capacity Building: Train local communities in construction and maintenance.

1] Phase 1  
Pilot Testing: Build sample units to test feasibility and cost efficiency.

2] Phase 2  
Technology Integration: Use modern, green, and affordable building technologies.
- **Implement**
  1. Construction Execution: Carry out housing construction as per design.
  2. Infrastructure Rollout: Install supporting facilities (roads, schools, clinics, ICT).

1] Phase 1  
Compliance & Quality Assurance: Ensure safety standards, building codes, and policy adherence.

2] Phase 2  
Monitoring Progress: Track milestones against timeline and budget.
- **Handover**

Allocation & Beneficiary Selection: Transparent process for identifying households in need.

Handover Ceremonies: Formal transfer of housing units to beneficiaries.

1] Phase 1

Capacity Development: Provide training on property maintenance and community governance.

2] Phase 2

Legal Documentation: Finalize ownership titles, subsidies, or rental agreements.

- **Monitor & Evaluate**

Post-Occupancy Evaluation: Assess housing quality, satisfaction levels, and social impact.

Impact Measurement: Evaluate poverty reduction, job creation, improved living conditions, and community empowerment.

1] Phase 1

Sustainability Review: Check environmental sustainability and long-term viability.

2] Phase 2

Policy Feedback Loop: Document lessons learned to improve future rural housing projects.

## Procurement Methods

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### 1. Procurement Strategy

Approach: Combination of open competitive bidding and framework agreements to ensure transparency and efficiency.

Contracting Models:

1. Design & Build for integrated accountability.
2. Public-Private Partnerships (PPPs) for large-scale investments.
3. Framework Contracts for recurring supplies/services.

Supplier Engagement:

1. Encourage local SMEs and designated groups to participate.
2. Apply preferential procurement regulations (B-BBEE, local content, sustainability criteria).

Risk Management:

1. Mitigation through performance bonds, staged payments, and regular audits.
2. Clear dispute resolution mechanisms.

Monitoring:

1. Continuous performance reviews, compliance checks, and milestone-based reporting.

### 2. Bidding Process

1. Prequalification – Screening bidders for capability, compliance, and financial strength.
2. Tender Invitation – Publishing RFP/RFQ documents with clear requirements.
3. Bid Submission – Secure submission of technical and financial proposals.
4. Evaluation – Technical scoring + financial analysis + compliance review.
5. Negotiation (if required) – Clarifications and risk adjustments.
6. Award of Contract – Formal notification and agreement signing.
7. Post-Award Management – Monitoring, reporting, and feedback.

### 3. Supplier Selection

1. **Criteria:**
2. Technical expertise and past performance
3. Financial stability
4. Compliance with legal/regulatory frameworks
5. Ability to meet sustainability and inclusion targets
6. Competitive pricing and value-added services
7. **Process:** Weighted scoring model for objective supplier ranking.
8. **Monitoring:** Ongoing performance evaluation against KPIs and contract terms.

## Risk Sharing Mechanisms

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**Public-Private Partnerships (PPP):** Sharing risks between government and private entities through BOT, BOOT, or concession models.

**Insurance & Guarantees:** Using insurance instruments, sovereign guarantees, or multilateral support to mitigate high-impact risks.

**Contractual Clauses:** Clearly defining responsibilities for delays, quality standards, and compliance.

**Revenue Sharing Models:** Allowing both public and private parties to share gains and losses from demand fluctuations.

## 8] Special (eg. Gender) Procurement Actions And Social Impact

### Social Benefits

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#### 1] Department of Social Development Policies

- Focus on child protection, substance abuse prevention, disability inclusion, and older persons' welfare
- Promotes community-based care and support systems

#### 2] Inclusive Economic Development

- Supports SMMEs, women- and youth-owned enterprises
- Encourages job creation through public procurement and infrastructure projects

#### 3] Public Participation and Equity

- Ensures community involvement in planning and decision-making
- Promotes equitable access to services and opportunities

#### 4] Expanded Public Works Programme (EPWP)

- Provides short-term employment and skills development
- Targets vulnerable groups including youth, women, and persons with disabilities

### Sustainability And Environmental Compliance

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- Environmental and Land Use Planning

- Western Cape Land Use Planning Act (LUPA)
- Environmental Impact Assessment (EIA)
- Other

In rural housing projects, inadequate transport infrastructure also complicates the supply of construction materials and access for contractors.

- Health and Social Services

- Provincial health regulations
- National Health Act
- Other

Limited access to quality schools and clinics constrains human capital development.