



**IKHAYALAMI  
DEVELOPMENT SERVICES**

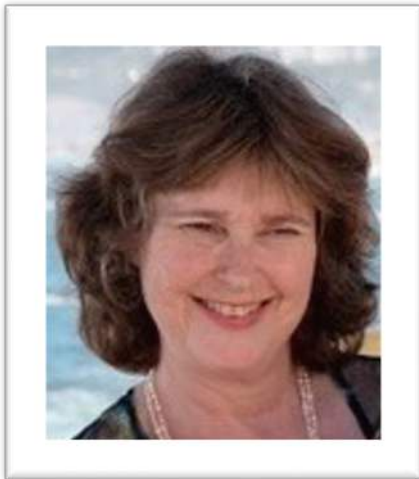
**ANNUAL REPORT 2022**

## TABLE OF CONTENTS

REMARKS FROM OUR MANAGING DIRECTOR _____	3
PROJECTS OVERVIEW _____	6
DISASTER RESPONSE & SOCIAL EMERGENCIES _____	7
A SHACK UPGRADING FINANCE FACILITY _____	9
RE-BLOCKING _____	11
EMPOWERSHACK _____	13
UPGRADING INFORMAL CRECHES - REAL PLAY COALITION PROJECT	15
FINANCIAL REVIEW FOR 2023 FROM BEN NKUNA _____	17
ACKNOWLEDGEMENTS _____	19

# REMARKS FROM OUR MANAGING DIRECTOR

ANDY BOLNICK



Ikhayalami is a small nimble organization that works closely with affected communities in shack settlements. As a small organization we were badly impacted by the Covid 19 epidemic and the accompanying hard lockdowns. Only through sacrifice, hardwork and adjustment were we able to survive the tough years of 2020 and 2021. We have come out of these dark times, tougher and more resilient and clearer that our primary focus on human and natural disasters puts us in a very critical position vis a vis the *de facto* securing of the basic rights of decent shelter and services for the very poor.

Indeed, Ikhayalami continues to regard informal settlements as disasters that have been caused by market and policy failure. Although they are tangible expressions of the innovation and resilience of their inhabitants, they remain subject to forced eviction, flooding, the spread of water borne diseases and to runaway fires. The consequence of these threats and actual disasters is acute psychological and material strain on the inhabitants, especially women, children, the disabled and the elderly.

Housing delivery by the state has slowed to a crawl while in-migration and new household formation continues to add tens of thousands of new shack dwellers to

the city every year. Ikhayalami therefore quadrupled its efforts in 2022 to assist vulnerable households to upgrade their shacks. We continued to improve informal social amenities as well - such as creches and safe homes for vulnerable children. We also continued our pro-active work in the reconfiguration of settlement layouts with active participation of communities, leading to easier access for the provision of basic services. These interventions also reduced risks of fire and flooding and created public open spaces. Each and every household was accommodated in the spaces we reconfigured, and no one was shifted without their express consent. We made direct improvements to the lives of over 1500 poor people living in Cape Town's informal settlements. The difficult times of 2020 and 2021 were not wasted by Ikhayalami. We intensified our engagements with community organizations, improved our technical offering, maintained our levels of delivery, and expanded our relationship with government in spite of significant cuts to our budgets and our human resources. We are now bouncing back and believe that we are able to grow the organization and significantly scale up our interventions.

We remain one of the only Civil Society Organizations in Cape Town who respond to emergency situations, especially shack fires. Our experienced and well-trained build teams were often the first on the scene helping affected households rebuild improved and safer dwellings. A new dimension to our work is that through partnerships with other CSOs we are able to access state grants for livelihoods which provides remuneration to community members for the support they provide us to upgrade their homes and their settlements.

Ikhayalami understands the need for poor households to upgrade their dwellings incrementally, often beginning with improvements and extensions to existing informal structures. This certainly does not mean that iKhayalami believes that a better shack is the end of this incremental process. Nothing demonstrates this better than our widely acclaimed "Empowershack" project that we have been implementing as an Urban Think Tank partner organisation. In this project we have now built 48 formal homes where shacks once stood, with the formal structures incorporating many community design principles. We remain involved in this project even though the structures are

now complete, assisting in securing and managing solar energy provision through an on-site mini grid. Our ongoing social facilitation in this project enables us to open new opportunities for similar projects in areas where we have done shack improvements in the recent past.

Our shelter finance continues to grow steadily, with over 50 shack upgrades having been provided, including a growing number in which private individuals have made financial contributions or stood surety for loans for their employees. This innovative program was submitted as a candidate to the SAB Foundation's Social Innovations Award. We are delighted to announce that we placed second in this competition (first in the urban context) and walked away with a generous prize and with great opportunities for networking and for organizational development.

# PROJECTS OVERVIEW

## Disaster Response



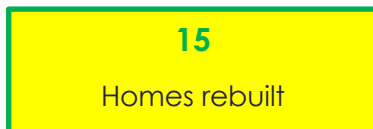
## Social Emergency



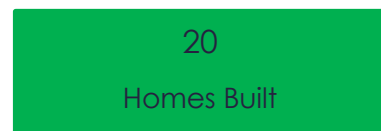
## Shelter Finance



## Re-Blocking



## Empowershack



## Creches



## DISASTER RESPONSE & SOCIAL EMERGENCIES



Year on year the Ikhayalami team witnesses first-hand the utter devastation caused by shack fires and by flooding after heavy rains. We are constantly in a state of readiness and are able to respond to such disasters at any time of day or night. Our extensive experience has taught us what needs to be done, what needs to be provided and what needs to be negotiated in such situations. Our years of experience have heightened, not lessened, a raw, emotional understanding based on what we have witnessed over and over again when the flames bring death and destruction and when the flood waters sweep away or destroy belongings, livelihoods and lives. This appreciation of the devastation caused by fire and flooding remains a principal motivator of all our efforts.

Ikhayalami constantly upgrades its designs for improved shelters that are fire and flood resistant, easy to transport, quick to build, durable, strong and affordable. We have coupled this with, wherever possible, the ability to assist communities in the redesign of a reconfigured layout to further mitigate the likelihood of future natural disasters. We use our longstanding links to City and Provincial Governments to try and improve their own reactive and pro-active responses. In the last year we have also built a relationship with the City Support Programme in National Treasury and in the process joined a citywide network of CSOs and CBOs committed to co-production. Our focus on disaster relief sets the bar.

Thanks to generous funding provided once again by the *Gerald Fox Foundation*, Ikhayalami was able to respond to 4 instances of shack fires in 3 different settlements and offered immediate relief to 168 households.

We have continued to work closely with *Sikhona Nathi*, a social movement in the Western Cape. We have also opened relationships with another grassroots organization, *the South African Homeless People's Federation*. When we have available funding community facilitators from these organizations join our technical team to visit the site after disasters to assess the situation and engage with the affected residents. When the residents choose to work with Ikhayalami to reconfigure their sites we provide material and technical know-how to help the residents redesign their homes and rebuild new fire and flood resistant shelters without any undue delay.

Ikhayalami continues to respond to what are regarded as social emergencies. Families living in deplorable conditions are normally referred to us by community-based organizations. We then vet them and once approved we build them new fire and flood resistant shelters. These upgrades vastly improve the quality of life for the occupants.

In 2022 we gave special attention to this type of disaster because of the exposure we had during our emergency drives in the Covid years which linked us to very poor households living in grave conditions. Through funds received from the *Percy Fox Foundation* and *Selavip* Ikhayalami was able to assist fifty-two families to escape these emergencies by vastly improving their shacks. Demand always exceeds supply, and we had no choice but to turn away many more families who live in very poor conditions.





## A SHACK UPGRADING FINANCE FACILITY

iKhayalami has taken some major steps towards scaling its shelter finance programme into a more comprehensive Shack Upgrading Finance Facility, generally referred to as iKhaya Lama Khaya.

The Shack Upgrading Finance Facility is to be an ongoing and expanding financial instrument, linked to iKhayalami, that provides capital to individual households or to community groups undertaking individual or community-wide shack upgrading initiatives. An innovative introduction, with the assistance of *The Mensch Network*, *The Charles and Lynn Schusterman Foundation* and the *SAB Foundation*, has been linking employees, starting with domestic workers but expanding to all people with formal low-income livelihoods, to their employers. The employers provide either pre-finance or guarantees (and in some cases outright grants) through iKhayalami for the construction of decent shelters for households who are otherwise regarded as unbankable and unable to access affordable housing finance. This programme started in 2019 but was interrupted by the Covid pandemic. It is now again on track. The programme is built on iKhayalami's 10 year track record of providing small loans without guarantee, other than group solidarity, to poor households who were seeking to improve their shelter. The small shelter finance has a current recovery rate of 90%. iKhayalami's familiarity with the communities in which we work, combined with our collective experience in micro-savings and micro-credit, gave us the confidence to launch a loan finance programme in 2014. Since then we have been able to develop a mechanism that provides access to credit for households and/or organisations that want to purchase our products directly. Through iKhayalami's loan financing scheme, 17 local households contributed a total of ZAR 197.232,00 to their structures in 2019. That represents a 90%+ repayment rate. An amount of ZAR 117.268,00 is still out on loan.

This is the norm for well managed housing micro-finance initiatives. Ventures that serve the poorest households usually have a gap of non-recoverable cash. To keep the Finance Facility solvent even while putting capital into ventures with non-

recoverable costs is IKhayalami's central management challenge when it comes to providing housing to households who may be poor but are not in crisis. Where less than 100% capital recovery is projected, grant finance will have to be raised to make up the shortfall and to top-up the finance facility. This will be done through the funding provided by employers, for whom a 10% opportunity cost on a small loan is not only affordable but is significantly offset by the social improvements in the lives of their employees, in particular domestic workers, and their families.



# RE-BLOCKING



## With Re-Blocking comes Incremental Shelter Improvement

Re-blocking describes a design and implementation process that is driven by the community. It involves the reconfiguration of a settlement layout into one that is more formalized and standardized. This allows for the creation of demarcated pathways or roads, public and semipublic spaces - all of which open access for emergency vehicles and the provision of infrastructure and basic services. Ikhayalami's re-blocking methodology is predicated on the grounds that urban poor communities should, at all times, be active agents in the forefront of development of the areas in which they reside. By including the urban poor as partners, rather than imposing external solutions on them, local authorities and other regulatory bodies can be much more effective than they are at present in terms of redesigning informal settlement layouts and enabling incremental upgrading of informal housing and infrastructure. At the same time poor communities can challenge spatial divisions, secure external funding, especially state resources and become recognized citizens in the cities in which they live.

Ikhayalami has two approaches to re-blocking: reactive and pro-active. After a fire or other disaster Ikhayalami will work with the affected communities to rebuild the area in a re-blocked configuration. The pro-active re-blocking approach encompasses in-situ rebuilding of shacks, in which shacks will get dismantled and new upgraded fire and flood resistant shelters then get erected in a reconfigured layout.

In 2022 Ikhayalami received funding from *Selavip* and the *Percy Fox Foundation* for disaster related interventions. While we did not engage communities specifically around any spatial reconfiguration, we did some re-blocking in small sections of Lloyd informal settlement that had been affected by fire.



# EMPOWERSHACK



The Empowershack project, which started in 2017, is an Urban Think Tank project, with iKhayalami as the partner responsible for social facilitation. The project has aimed to reshape the current dysfunctional approach to informal settlement upgrading by offering an innovative and inclusive incremental alternative. Our approach hassled to an equitable distribution of private and public space. The same applies to the delivery of basic services.

The Empowershack has upgraded 72 existing single storey shacks into double storey housing units, with 20 being built in 2022. Solar street-lighting was complemented with household lighting over the course of this year

The resulting densification has produced efficient land use to infrastructure ratios, while guaranteeing that all residents remain on the site.

Ikhayalami has provided the interface between government and the community and has ensured that the community provided a high level of input into the design of the housing prototypes. Ikhayalami has facilitated this process throughout and will continue doing this in phases 3 and 4. It is anticipated that the project will succeed in a policy shift in terms of tenure security for a higher density development within governments low-cost housing arena.

In 2022, Ikhayalami and its partners, *Urban Think Tank* and the *BT Community* themselves were able to finalise the final phase of the Empowershack project with the construction of 20 double-storey houses, the completion of a public playground and the installation of a solar-energy mini-grid on the site.



## UPGRADING INFORMAL CRECHES – REAL PLAY COALITION PROJECT



SIYAKHA EDUCARE CENTRE – BEFORE



SIYAKHA EDUCARE CENTRE – AFTER

This project was conceived and implemented by a coalition of well-known organizations: *Arup (England)*, *National Geographic*, the *LEGO Foundation* and *Ikhayalami*. The intention of the Real Play Coalition Project was to make upgrading and spatial contributions to enable local play culture amongst children thereby demonstrating and affirming the importance of learning through play.

While fenced and gated playgrounds are conceived as being the requisite places for children to play, such idealized options seldom exist in shack settlements. Having recognized this fact, Ikhayalami worked with the community to identify areas where children naturally convene and play. These included streets, public transport hubs, and commercial spaces. A number were identified with the intention to transform them and activate them as play spaces for the children. These play spaces, at one stage numbering as many as four were to be linked to one another and to a local creche or Early Childhood Development Centre by means of safe and open corridors.

The project was significantly hampered by the Covid19 lockdown. During that time an already renovated creche was appropriated by a community leader and 3 of the parcels of land identified as play spaces were encroached upon. As a result, the project virtually had to start from scratch in early 2022. While there were further delays and challenges in 2022, a downscaled version of the project, comprising a new creche connected to two play spaces was completed by the end of the year. Notwithstanding these setbacks and limitations, a network of designated play spaces now exists in Town Two Khayelitsha and an important precedent has been set. It is possible to create a safe, secure, and healthy play environment for children in the deeply contested spaces of informal settlements in which the needs of children are always at the bottom of the list.





# FINANCIAL REVIEW FOR 2023

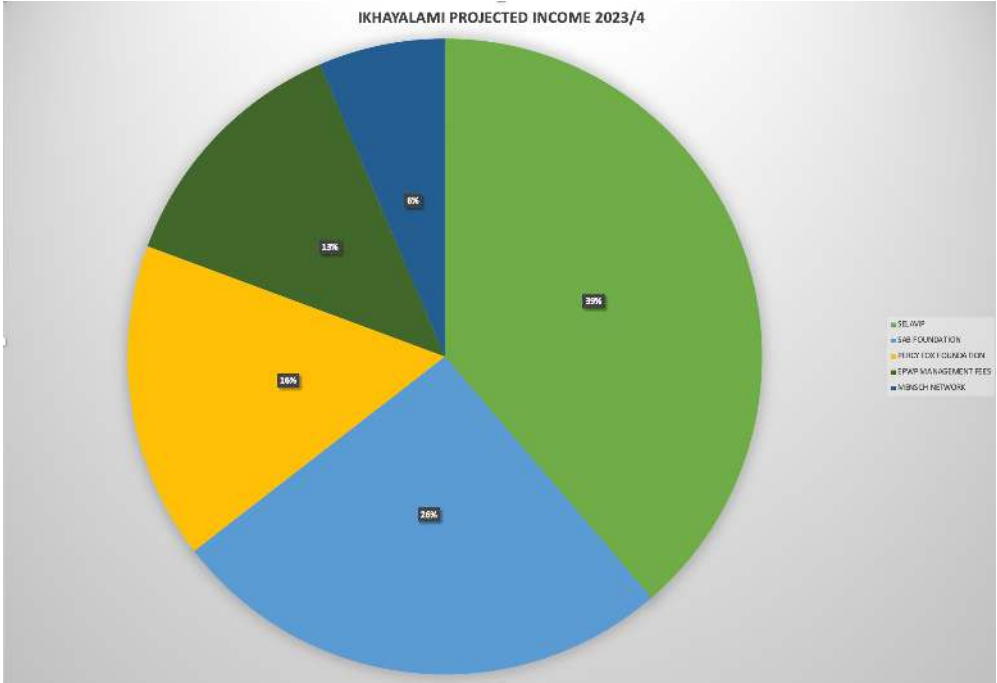
FROM BEN NKUNA, CHIEF FINANCIAL AND OPERATIONS OFFICER



Here is a summary of Ikhayalami's financial projections for 2023/24

Selavip	R1,200,000.00
SAB Foundation	R 800,000.00
Percy Fox Foundation	R 500,000.00
Mensch Network	R 200,000.00
<b>TOTAL</b>	<b>R2,700,000.00</b>

Ikhayalami will also earn fees for managing an Extended Public Works project in 4 informal settlements. This fee will amount to R50,000 in the first three months with a possible increase to R350,000+ in the 9 months that follow – depending on the number of jobs allocated to Ikhayalami by the Municipality. In addition, Ikhayalami will receive fees from Urban Think Tank for social facilitation to be conducted in the community centre construction phase of the Empowershack project in BT Section Khayelitsha. The fee structure is in the process of being finalized.



# ACKNOWLEDGEMENTS

2022 was a year of recovery for Ikhayalami. We had a direct and positive impact on the lives of more than 1,000 households in dozens of informal settlements across Cape Town. We are a small team, often under-resourced, but what we lack in numbers and finance we make up with dedication, commitment and hard work. We are living proof of the assertion that grassroots participation and smart professional support produce significantly more per dollar spent than most other development institutions. Ikhayalami is not a lobbying agency but our practical interventions at project level have had an impact on policy in the past and will do so in the future.

None of this could have happened without the support of our sponsors and partners. We are grateful for the continued support from the **Percy Fox Foundation** and **Selavip Foundation**, both of whom have been funding Ikhayalami since 2006. We appreciate the support we receive from the **Mensch Network**, **Marley Building Systems**, **Urban Think Tank** and welcome our new engagement with the **SAB Foundation** who have recently joined us in our efforts to help alleviate the plight of the urban poor and improve their living conditions on the ground where it really makes a difference and by extension in policy deliberations where decisions and decisive action by others can enable replication at scale.

Most important are the communities themselves – the individual households and the community leaders. Their unsung contributions in terms of effort and impact are the foundations upon which all our interventions have been built.

