

JOINT POSITION PAPER: PRIORITY ISSUES FOR INFORMAL SETTLEMENT UPGRADING

INTRODUCTORY COMMENTS

The Housing Development Agency and Project Preparation Trust of KZN have entered into a Collaboration Agreement in respect of working collaboratively together in addressing a range of informal settlement development issues. This document contains a summary of those issues considered to be priorities in addressing the significant informal settlement challenge in South Africa.

WHAT IS INFORMAL SETTLEMENT UPGRADING?

There are different interpretations of what informal settlement upgrading is. The HDA and PPT adopt an inclusive definition. From a housing and infrastructure perspective, this includes:

- **Full and conventional upgrading:** The provision of housing, full services and formal tenure. This includes densified housing where land is scarce (i.e. double story, attached units utilizing a partially pedestrianized layout).
- **Interim basic services:** Basic services as stepping stone towards full upgrading (e.g. basic water, sanitation, road / footpath access, fire protection, solid waste removal etc.).
- **Emergency basic services:** Rudimentary basic services for settlements where formalization may not be appropriate but where no other housing solution is currently available (as above but typically at a more rudimentary level).

In respect of **promoting sustainability and integration**, the following should at the same time be pursued and prioritised:

- Improved local / precinct level urban management and community engagement.
- Integrated precinct level master plans.
- Special needs responses (e.g. HIV/AIDS, home based care, orphans & vulnerable children).
- Support for livelihoods and informal enterprise.
- Local economic development.
- Key social facilities (e.g. schools, clinics).
- Land identification and acquisition as and when required.

KEY PRINCIPLES IN UPGRADING

- **Participation:** More effective community participation is critical to successful upgrading. This requires the presence of professional facilitation skills.
- **Inclusion:** Regarding informal settlements as part and parcel of the City and not as outsiders.
- **Incrementalism:** Accepting that in most instances improvements in informal settlements will need to be incremental – full upgrading is inherently slow and costly.
- **Speed:** Given the severity of the living conditions within informal settlements, there is a need to move rapidly to produce change, even if all of the challenges cannot be immediately addressed. It is untenable for some settlements to remain on a developmental 'back-burner' for several years.
- **Scale:** Historically, developmental responses have occurred at insufficient scale. They have often been premised on unrealistic expectations of which is achievable within available resource constraints. In particular there has been insufficient emphasis on interim and emergency basic services.
- **Realism:** All stakeholders need to avoid making rash promises. Informal settlement plans need to be informed by a rational understanding of what can actually be achieved within the prevailing constraints.
- **Collaboration:** All stakeholders need to work together more effectively (national, provincial and government; NGO's; CBO's; communities; the private sector).
- **Knowledge:** Greater knowledge and understanding is required including in respect of successful and unsuccessful precedent.
- **Capacity:** Most municipalities lack the capacity to address the challenge on their own. Many NGO's and private sector players have left the sector or down-scaled their informal settlement work due to a lack of funding or insufficient 'space' for their participation.
- **Relocations:** There is now general acceptance that relocations often produce unintended negative consequences and should therefore only be considered as a last resort and understanding of the potential impacts on the vulnerability of residents and their livelihood / survival strategies.

OVERALL KEY SUCCESS FACTORS FOR UPGRADING

- **Changing the emphasis:** Less emphasis on housing, and greater emphasis on the following top priorities: a) basic / rudimentary services; b) primary health care; c) school education; c) local economic development (especially job creation, informal enterprise support and work-place skills development).
- **Working with (not against) informality:** Ongoing fear and denial of informality leading to persistently ineffective policies and strategies. Despite the best intentions, the State and the urban poor have often worked against each other instead of collaboratively.

- **Getting community participation right:** Including budget allocation and professionalisation of this work (can't be undertaken in-house by Municipalities via ward development committees and councilors without support) – refer to eThekweni intentions in this regard. Human resources and funding for this need to be made available.
- **Achieving a more integrated response:** I.e. focusing not only on housing and infrastructure but also on access to key social facilities such as education and health care, local economic development, enterprise development, livelihoods responses, special needs and HIV AIDS etc.
- **Precinct level master planning:** Informal settlements need to be considered within their local spatial context and integrated into the broader urban form. These master plans are especially important for ensuring that road and transport networks are integrated and that attention is given to key social facilities (e.g. education and health).
- **Mobilising private sector and NGO capacity:** Professional skills and capacity are critical to project success. Building this capacity is key. Work needs to be funded from subsidy programme and funding adequately (e.g. typically lack of preparation funding, insufficient engineering and other fees especially for complex projects, fee structures out of line with construction industry norms).
- **Moving away from rash political promises:** Reactive and rash electioneering promises based on political imperative rather than a proper understanding of what is actually achievable within budgetary, technical and socio-economic constraints is critical. Leaders at all levels persist in dangerous and poorly informed messages to communities. Communities deserve to know the truth about can and will be done for them. They are no longer content with 'spin'.
- **Budgets:** Budgets and grants have tended to be inadequate to meet the challenge (e.g. excessive emphasis on top-structures, lack of preparation / pre-planning funding, lack of funding for land acquisition etc).

KEY SUCCESS FACTORS FOR INFRASTRUCTURE AND HOUSING DELIVERY

- **Acceptance of interim & emergency services as the mainstay for delivery at scale:** It is now accepted that conventional housing delivery cannot deliver fast enough and at sufficient scale and that interim services are now the priority (as per Outcome 8). Greater political buyin and more adequate budget allocation are however required for this new approach to succeed.
- **Basic secure tenure:** Functional, non-individualised and non-registered tenure via administrative recognition of settlements must be accepted as being sufficient for interim and emergency basic services delivery.
- **Land acquisition:** Land acquisition inherently slow and costly. Often a project in its own right. Forward planning necessary as well as sufficient funding allocated not only for land costs but associated professional work (e.g. land legal, negotiations, valuations, expropriation, project management etc).

- **Getting the grants and funding right:** Including resolving the problems with the UISP so that ph1 has significantly more budget and land acquisition can be deferred to start of ph2; resolving funding for emergency basic services (e.g. utilizing USDG or EH funding)
- **More strategic utilization of costly housing delivery:** Costly investments in housing construction (including in site upgrading) need to be made more strategically to promote a more efficient and sustainable urban form (including better spatial and urban design considerations and utilization of denser housing typologies where land is scarce).
- **Low cost densification:** Where land is scarce, need to utilize double storey, attached housing with pedestrianised layout – aim to get densities of at least 60-80 du per ha which create greater urban efficiency.
- **Creating greater urban efficiency:** South African cities are inefficient by international norms. In particular densities are too low and public transport is inadequate. Densities of between 60 and 80 dwelling units per hectare are necessary to enable sustainable public transport and more effective spatial and transport planning is required.
- **Rapid assessment and categorization:** There is typically a lack of sufficient information on informal settlements to enable decision making on appropriate responses. Rapid assessments are required in order to provide adequate profiles, including of technical constraints and developability potential so as to enable more rational and reliable decisions on infrastructure, tenure and housing responses.
- **Depth and breadth balance:** Conventional housing delivery is inherently slow and costly (conventional upgrading typically takes an average of nine years from commencement of feasibility to closeout of construction and costs more than R120,000 per delivered low cost unit including land, services, top-structures and professional / contracting fees). Delivery at scale ('breadth') can only be achieved by an incremental approach which emphasizes emergency or interim basic services as the first level of responses.
- **Getting the right budgetary balance between housing and interim services:** On the national and provincial housing budgets. Too much budgetary emphasis on conventional housing delivery.
- **Preparation funding:** The ongoing failure to adequately plan and prepare projects is recognized as a key reason for project failures, project delays and the absence of bankable project pipelines. Preparation needs to take place well in advance of detailed design and implementation.