Informal Settlement Upgrading Strategy for KwaZulu Natal

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For the KZN

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EXECUTIVE SUMMARY

The KZN Informal Settlement Upgrading Strategy is a developmentally focused strategy which seeks to bring about more rapid, equitable and broad based responses to the challenge of informal settlements in the province. This focus is strongly in line with the National Housing Code and current developmental priorities of government as recently reflected in the Outcome 8 National Delivery Agreement. Given the scale of the informal settlement challenge, its complexity and the limited human and financial resources available, the Strategy seeks to be practical and achievable.

A key objective of the Strategy is to give effect to the KwaZulu-Natal Elimination and Prevention of Re-Emergence of Slums Act which obliges all Municipalities to assess the status of informal settlements and to plan accordingly. An additional and overriding objective for the KZN Department of Human Settlements (DoHS) is also to address and comply with the requirements of the Outcome 8 National Delivery Agreement which places a high priority on the upgrading of Informal Settlements with an emphasis on basic services and secure tenure. The KZN Delivery Agreement for Outcome 8 sets a target of upgrading 76,200 households in well located informal settlements. The upgrading of informal settlements is also prioritized via Breaking New Ground and Part 3 of the National Housing Code (the Upgrading of Informal Settlement Programme), which advocate a developmental and incremental approach with relocations as a last resort.

It is now broadly recognized that responses to the challenge of informal settlement in KwaZulu Natal (and more generally in South Africa) need to be multi-pronged, broad based and inclusive of the urban poor. It is also recognized that such responses need to promote more integrated and sustainable human settlements, promote an efficient urban form and optimize scarce land. The scale of informal settlement in KwaZulu Natal coupled with hilly topography and challenging underlying land legal issues increases the challenge. The Strategy therefore recognizes that a range of different responses are necessary and that there needs to be flexibility for Municipalities to address the specific challenges which vary from one settlement or municipality to another.

The multi-pronged Strategy promotes the following main developmental actions and responses in respect of addressing the basic infrastructure and housing needs of informal settlements:

- RAPID UP-FRONT PRELIMINARY ASSESSMENTS AND CATEGORISATION of all informal settlements in order to obtain an adequate profile and to enable the determination of the appropriate developmental response(s).
- FULL UPGRADING (full services, top-structures and tenure) where appropriate, affordable and viable.
- INTERIM BASIC SERVICES for settlements viable and appropriate for long term full upgrading but where this is not imminent (a situation which often prevails).
- EMERGENCY BASIC SERVICES for settlements where long term upgrading is not viable or appropriate but relocation is not urgent or possible (a situation which also often prevails).
- RELOCATIONS as a last resort for settlements where this is an urgent priority.

Whilst the exact scale of informal settlements in KZN cannot at this time be accurately quantified, there are estimated to be approximately 306,076 households residing in informal settlements located within the 51 municipalities in KwaZulu Natal. 95% of these households are located within 11Municipalities with 78% located with eThekwini Municipality. These figures represent a significant increase relative to the 2001 Census data which put the backlog at only 177,190 households. A more

exact estimate will only be possible once individual municipalities have commenced with the implementation of this Strategy and in particular the rapid assessment and categorisation of all informal settlements. Whilst the scale of informal settlement has generally grown significantly since 2001, there will also be some cases where some settlements initially designated as being 'informal' may be reclassified as rural settlements, as is the case with Ndwedwe.

The Strategy recognizes that, whilst many of the necessary policy and grant instruments are already in place, there are instances where this is not the case (e.g. for emergency basic services) or where existing instruments require 'refinement' (e.g. phase 1 of the UISP). It also recognizes that, in the case of infrastructure provision, the required grant funding may be provided or co-funded by other sources such as via the new Urban Settlement Development Grant.

Whilst the Strategy is formulated and led by the KZN DoHS, it has implications that go beyond housing and the associated basic infrastructure (e.g. in terms of integrated settlement planning, public transport and the provision of key social services such as education and health care). The Strategy will thus help to lay the platform for investments by other government departments or by municipalities.

The Strategy consists of the following four Parts:

- PART1: INTRODUCTION: This outlines amongst other things the need for and objectives of the Strategy as well as the methodology, policy context and definition of informal settlement.
- PART 2: SITUATIONAL ANALYSIS: Based mainly on a desktop analysis, existing data sets and information sourced from various Municipalities, this Part evaluates the demand as well as key issues and challenges in KZN. It also evaluates in more detail 17 prioritised Municipalities. Commentary on key issues such as grant instruments, tenure, and land is also provided. This Part provides the platform for the development of the Strategy.
- PART 3: STRATEGY: A range of practical tools and guidelines are provided in this Part to assist both the KZN DoHS and Municipalities in the practical implementation of the Strategy (refer also to details on the Municipal Resource Pack which follow).
- PART 4: MONITORING AND EVALUATION FRAMEWORK: This consists of a logical framework which defines the overall goal of the Strategy as well as its objectives, key outcomes and main activities. It provides indicators with means of verification and assumptions. It also defines key roles and responsibilities such as those of the KZN DoHS and Municipalities.

A Separate Municipal Resource Pack has been developed to enable Municipalities to successfully implement this Strategy at the local level. This Resource Pack includes the following critical components which are considered as being the 'backbone' of the Strategy:

- Project classification guideline
- Flow chart (including key decision-making processes)
- Summary scopes of work & cost norms for main responses
- Detailed toolkits (including standardized scopes of work and Gantt chart proformas)
- Guidelines / commentary on:
  - grant instruments relevant and necessary for addressing informal settlement
  - promoting integration, sustainability and spatial coherence

- promoting densification
- achieving secure tenure
- land acquisition and its timing
- community participation
- identification of land and buildings.

A profile for each of the 17 Prioritised Municipalities was also developed and will be made available by the KZN DoHS to each of these Municipalities. These profiles include all informal settlement information collected, although it is noted that there were some information 'gaps'. These profiles also serve as proformas for Municipalities to co-late baseline profiles of their informal settlements.

A key activity which most Municipalities need to rapidly expedite in order to give effect to the Strategy and to meet their obligations in terms of the 'KZN Slums Act' is that of rapid assessment, profiling and categorization of all informal settlements. This is necessary in order to obtain more comprehensive settlement information and to thereby enable effective decisions on which developmental responses are appropriate for different settlements. In particular, existing Municipal Housing Sector Plans and related strategies typically do not yet cater for the provision of interim basic / emergency services which are now recognized as being the principal means of delivering rapidly and at scale.

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    4. Abaqulusi
    5. Newcastle
    6. Umdoni
    7. Greater Kokstad
    8. uMngeni
    9. Richmond
    10. eMnambithi
    11. Hibiscus Coast
    12. uMhlathuze
    13. Jozini
    14. Mbonambi

15. Ulundi 16. Mandeni 17. Ndwedwe *Note: Due to the volume of information, not all of the plans have been included in hard copy format but are included in the electronic copy of the Strategy.* L. Policy Context M. Overview of National Housing Programmes N. Grants for Supplementary Broad Based and Inclusionary Urban Programmes O. DAG 10 points to remember P. Schedule of Information Sourced from Municipalities Q. Municipal Correspondence Register R. Premier's 20 Poorest Wards	

PART 1: INTRODUCTION

1. Need for the Strategy

The KZN Department of Human Settlements (KZN DoHS) has resolved to develop an Informal Settlement Upgrading Strategy (hereafter referred to as the 'Strategy') in order to enable a more effective provincial response to the significant challenges posed by large scale informal settlement and to assist Municipalities in achieving this end. Following a competitive procurement process, it has engaged the services of Project Preparation Trust KZN (PPT) to assist it in developing the Strategy.

A key objective of the Strategy is to give effect to the KwaZulu-Natal Elimination and Prevention of Re-Emergence of Slums Act (Act No. 6 of 2007). The purpose of this Act is to provide for: 'the progressive elimination of slums in the Province of KwaZulu-Natal; measures for the prevention of the re-emergence of slums; and the upgrading and control of existing slums'. The Act obliges all Municipalities to assess the status of informal settlement and to plan accordingly.

An additional and overriding objective for the KZN DoHS is however also to address and comply with the National DoHS's Outcome 8 National Development Agreement (refer also to section 5 'Policy Context' below) which places a high priority on the upgrading of Informal Settlements. The KZN Delivery Agreement for Outcome 8 sets a target of upgrading '76,200 households in well located informal settlements with access to basic services and secure tenure'.

It is noted that the upgrading of informal settlements is also prioritized via Breaking New Ground and Part 3 of the National Housing Code, the Upgrading of Informal Settlement Programme (UISP). These advocate a developmental approach to addressing the challenge of informal settlement, envisage an incremental / progressive approach, and prioritise the in-situ upgrading of informal settlements in a structured manner. Significantly, relocations is only envisaged in exceptional circumstances and then as a last resort and then on a co-operative basis.

It is now broadly recognized that responses to the challenge of informal settlement in KwaZulu Natal (and more generally in South Africa) need to be multi-pronged, broad based and inclusive of the urban poor. It is also recognized that such responses need to promote more integrated and sustainable human settlements, promote efficient urban forms and optimize scarce land. The scale of informal settlement in KwaZulu Natal coupled with hilly topography and challenging underlying land legal issues increases the challenge.

Whilst the exact scale of informal settlement in KZN has not yet been accurately quantified, there are estimated to be approximately 306,076 households residing in informal settlements located within the 51 municipalities in KwaZulu Natal. 95% of these households are located within 11Municipalities with 78% located with eThekwini Municipality. These figures represent a significant increase relative to the 2001 Census data which put the backlog at only 177,190 households. A more exact estimate will only be possible once individual municipalities have commenced with the implementation of this strategy and in particular the rapid assessment and categorisation of all informal settlements. Whilst the scale of informal settlement has generally grown significantly since 2001, there will also be some cases

where some settlements initially designated as being 'informal' may be reclassified as rural settlements, as is the case with Ndwedwe.

2. Objectives of the Strategy

The main overarching objectives of the Strategy are thus to meet requirements of the Slums Act as well as the targets contained in Outcome 8 and to enable the KZN DoHS and municipalities in partnership with each other in achieving these objectives. In addition, the terms of reference provided by the KZN DoHS indicate that the following more specific objectives of the Strategy:

- To enhance the Housing Sector Planning process by including a Slum Clearance Programme.
- To promote sector alignment in terms of IDP, Integrated Sustainable Human Settlements, Area Based Planning, Spatial Restructuring.
- To develop a informal settlement plan of action and to implement it together with the affected municipalities.
- To promote community participation in formulation and implementation of Slum Clearance Programme.

3. Methodology

The following four phase methodology was followed in developing the Strategy. The phases and work packages are taken directly from PPT's proposal as well as the Agreement between PPT and the KZN DoHS. Explanatory notes and comments have been provided.

Phase 1: Identification and sourcing of the required base information	
Work Package 1.1: Collection of baseline information for situational analysis	During Phase 1, PPT sourced all of the available desktop information such as Municipal HSPs, IDPs, and National, Provincial and local governments' integrated development plans, PSEDS; PGDS; BNG, KZN profiles Census data, and HSP manuals as well as relevant informal settlement policies and strategies. PPT also sourced additional information such as GIS data, as well as a range of base research related to the upgrading of informal settlements. Furthermore, an additional information request was e-mailed to all the 61 KZN municipalities together with an invitation to two information-sharing workshops in December 2009. Municipalities were requested to provide a set of critical base information at these workshops. Two workshops were held one in Pietermaritzburg, Msunduzi on the 10th of December and a second in Richards Bay, uMhlathuze on the 14th of December 2010.
Work Package 1.2: Information gap analysis	Key gaps in the available information were then identified, and PPT then attempted to source the relevant information primarily from the municipal housing officials. Where no municipal information could be sourced strategies to supplement these information gaps were developed i.e. the use of GIS 2008 DLA urban edge and Eskom 2009 Spot data to identify the size and location of informal settlements.
Work Package 1.3: Reporting & client	The information captured in this phase was then presented in an information gap analysis report for phase 1, which included strategies for sourcing additional

<table>
<tr><td>feedback</td><td>municipal information for the development of the final strategy.</td></tr>
<tr><td colspan="2">Phase 2: Situational and spatial analysis of informal settlements in KwaZulu Natal</td></tr>
<tr><td>Work Package 2.1: Situational analysis of existing informal settlements in KZN</td><td>Information collected in Phase 1 was then analyzed in order to provide the basis for the slums clearance/ informal settlements strategy. This included an assessment of the primary challenges facing the KZN Department of Housing and Municipalities in this program and strategies to overcome these challenges.</td></tr>
<tr><td>Work Package 2.2: Development of an informal settlement project classification guideline for different project categories</td><td>A practical guideline was developed to assist municipalities with the assessment and classification of existing informal settlements in their municipal areas. The guideline will also assist municipalities to identify and classify informal settlements for future projects.</td></tr>
<tr><td>Work Package 2.3: Prioritisation of informal settlements by municipal area based on specified criteria</td><td>As initially indicated in the proposal and due to the limited time and funding available 17 municipalities were prioritised in this phase for the focused development of the strategy. These municipalities were prioritized based on the KZN DoHS' backlog list which utilises Census 2001 data, it was agreed that the primary focus of the strategy would be the 17 municipalities which contain 95% of all the informal settlements in KwaZulu-Natal. This prioritisation was confirmed with the DoHS. These municipalities were as follows:
1. EThekwini Metropolitan
2. KZ225: Msunduzi
3. KZ292: KwaDukuza
4. KZ282: uMhlathuze
5. KZ252: Newcastle
6. KZ291: eNdondakusuka
7. KZ232: Emnambithi/Ladysmith
8. KZ216: Hibiscus Coast
9. KZ212: Umdoni
10. KZ5a4: Greater Kokstad
11. KZ266: Ulundi
12. KZ222: uMngeni
13. KZ272: Jozini
14. KZ293: Ndwedwe
15. KZ227: Richmond
16. KZ263: Abaqulusi
17. KZ281: Mbonambi</td></tr>
<tr><td>Work Package2.4: Spatial GIS map of informal settlements</td><td>Both provincial and municipal GIS maps were developed reflecting the size and location of all informal settlements in the municipality as well as preliminary prioritisation for the development of these settlements. These plans were developed using a combination of information provided by the municipality as well as GIS base data (i.e. Transport routes, Social amenities, land information etc.) supplemented with information such as the 2008 DLA Urban Edge data and Eskom's SBC and 'Spot 5' data from 2008.. Where possible specific sites were also indentified and overlaid against the latest available aerial photography. These plans included base GIS information relating to the availability of social amenities, land identification and slope analysis, to assist both the strategy and the housing official in the classification of individual project sites.</td></tr>
<tr><td>Work Package 2.5: Reporting & client feedback</td><td>After a discussion with the Department, it was agreed that the reporting requirement for this stage would be consolidated and presented in one strategic document under reporting and client feedback as detailed in work package 4.2 below. This concession was requested in order to provide additional time to source relevant municipal information on which to base the overall Strategy.</td></tr>
<tr><td colspan="2">Phase 3: Informal settlement Strategy (including development of 'toolkits')</td></tr>
<tr><td>Work Package 3.1: Develop practical methodology for</td><td>During the final phase of the strategy and based on the information collected and analyzed a set of practical toolkits were developed to assist both the DoHS, professionals, key stakeholders, and housing officials to support the</td></tr>
</table>

assessing, preparing and implementing informal settlement projects (i.e. step by step process / flow chart)	implementation of the Strategy. A modular based step-by-step process has been produced for the packaging and implementation of informal settlement projects. This process has been represented in a flowchart (Annexure F) where each of the stages in the process is directly referenced to the standardized detailed scopes of work developed in work package 3.2 (See Annexure H) and indicates under what circumstances particular standardized scopes will be relevant and appropriate. This work package builds on the classification guidelines produced in work package 2.2 and is presented in Section 3 of the strategy in order to enable existing informal settlements to be effectively categorized and relevant standardized scopes of work to be applied in taking them forward into detailed preparation and thereafter into implementation. This information is presented in Annexure E, which defines the preliminary classification based on the municipal information provided and will suggest a preliminary development response for each of these settlements.
Work Package 3.2: Develop standardized detailed scopes of work / methodologies for informal settlement projects in different categories	Detailed standardized scopes of work for project preparation (feasibility & implementation planning) and project implementation have been developed for various defined project categories. These scopes include timeframes, cost norms, and resources required for each of the following main development response options / project categories: 1. Full upgrading 2. Incremental upgrading (including interim servicing) 3. Emergency relief This information is provided in Annexures G & H.
Work Package 3.3: Develop Project Plans	Project plans presented in logframe format with Gantt charts by project category were developed in this phase. Where sufficient base information existed, informal settlements have been classified as per the classification model developed in work package 3.2. above. Based on these initial classifications it is possible to apply the relevant project plans representing the recommended development response for each one (Annexure E). Therefore for each classified settlement the following information will be specified: a) the applicable recommended standard scope of work / development response; b) any project specific key issues that need to be taken into consideration (e.g. sector alignment issues, site specific issues etc); c) estimated timeframe. It is noted that all projects will require follow up detailed preparation / feasibility work prior to implementation.
Work Package 3.4: Develop sector alignment guidelines.	A practical step-by-step guideline to assist project managers / municipal personnel achieve improved alignment between housing and other required sector departments has been developed and is presented in Part 3. This sector alignment guideline included four levels of integration including, vertical alignment at a policy level, horizontal alignment through sector plans, horizontal alignment at a project level and ongoing alignment in the operation and maintenance stage, but will focus mainly on integration at the project level.
Work Package 3.5: Compile overall strategic slums clearance strategy	Based on the work packages completed, the analysis of the information collected as well as feedback obtained from the KZN DoH, an overall strategy for the implementation of the slums clearance program within KZN has been developed and presented in section 3 of this report. This Strategy includes both broad provincial strategic issues as well as summery action plans for each of the focused municipalities (see Part 3 and Annexure E). Furthermore, the strategy includes a revised estimate of the provincial backlogs (Annexure A), as well as details of each informal settlement identified and revised

	backlogs per municipality (Annexure B). Furthermore as indicated in work package 3.1 above a plan is provided indicating the preliminary classifications and project responses for each of the identified settlements. Furthermore and based on the information collected in phase one a detailed municipal profile was developed for each of the 17 prioritised municipalities. This included sections on the profiling of existing informal settlements as well as capturing information related to the municipality's current strategy on informal settlements, and for identifying and releasing land for development, as well as listing and quantifying prioritised projects related to these settlements. These profiles are presented in Annexure J. Furthermore, information on feasibility studies related to specific projects was also captured where available. Where possible recent Google Earth imagery and photos of specific sites identified were also included in the municipal profiles It should be noted that these profiles have been drawn up based on information drawn from the municipal housing sector plans and/or provided by the municipality, as well as supplemented with relevant GIS information, where insufficient information existed attempts have been made to fill these gaps, however this was not always possible. Therefore each profile represents a compilation of the best available information at the time and should be updated by each municipality where possible.
Work Package 3.6: Reporting & client feedback	As indicated in work package 2.5 above the requirement for this report was consolidated in to a single final report under 4.2 below.
Phase 4: Monitoring and evaluation mechanism and framework	
Work Package 4.1: Develop M&E framework, including monitoring mechanism	A comprehensive M&E framework for measurement of local and provincial progress has been developed. This framework will provide the Department and municipalities with a mechanism for reporting and monitoring progress related to the implementation of the Strategy.
Work Package 4.2: Reporting & Client feedback:	This work package is currently in process and we await the feedback from both the Department and municipalities in order to amend the strategy represented in this report accordingly.
Work Package 4.3: Support to DoH in respect of EXCO resolution and DoH approval of strategy	On completion of the strategy support will be provided in the form of presentation of the strategy as well as attendance of meeting to discuss and motivate the strategy where required.

4. Main Assumptions and Limitations

There are a number of assumptions and limitations associated with this Strategy. These are addressed in section 17 of Part 3 ('Strategy').

The main limitations are:

- The limited scope and budget for the Strategy;

- The desktop nature of the Strategy;
- Severe limitations in respect of good quality information on the size and nature of informal settlements in KwaZulu Natal available from Municipalities and their Housing Sector Plans;
- Limitations associated with the GIS data sets accessed in an attempt to address the above limitations (primarily Census 2001, DLA Urban Edge data and Eskom 'spot' data).

The main assumptions are:

- That Outcome 8 is the current primary strategic mandate of the KZN DoHS;
- The Strategy will receive the necessary support for its implementation from Municipalities and other key stakeholders (including other key sector Departments);
- A phase of project preparation will commence immediately after the finalisation of this Strategy in order to obtain better information and to develop viable and appropriate developmental plans for specific settlements;
- Sufficient budget will be prioritised for the implementation of the Strategy, including from other sector Departments (e.g. Health and Education);
- The UISP grant will be rapidly operationalised in KZN;
- The necessary grants

5. Definition of Informal Settlement

The 2009 National Housing Code's Informal Settlement Upgrading Programme adopts a broad and inclusive definition. It characterizes informal settlements as settlements demonstrating one or more the following characteristics[1]:

- Illegality and informality;
- Inappropriate locations;
- Restricted public and private sector investment;
- Poverty and vulnerability; and
- Social stress.

An additional essential criterion is however necessary in respect of the location of the settlements in question since there is an implicit requirement that informal settlements are *urban and peri-urban in nature and exclude rural settlements.*

The KZN Department of Human Settlements clearly *excludes* rural settlements from being included in the category of informal settlements. There is also a separate rural housing policy to address such settlements. There may however be some debate in respect of some peri-urban rural settlements located around the periphery of cities, towns and urban centres. The approach taken by eThekwini Municipality has generally been to include such settlements where they are in-fills to established existing townships or constitute informal extensions to them. They have however excluded rural hinterland. We are not aware of any specific set of additional criteria (e.g. in terms of settlement

[1] 2009 National Housing Code, Incremental Interventions, Upgrading Informal Settlement, pg 16

density) which have been utilized to distinguish between peri-urban and rural settlements and we suggest that common sense be applied by municipalities in this regard.

In addition, the following are noted as being defining characteristics of informal settlements:

- Lack of adequate basic services (e.g. potable water, sanitation etc)
- Lack of formal tenure (title) by residents
- Density (moderate to high but definitely not as per the typical sparse rural settlement pattern in rural KwaZulu Natal)
- Residents are poor and vulnerable
- Access to / connection with a nearby town / city / urban centre (e.g. people access work opportunities there).

Notwithstanding the above, definition, it is however emphasized that the developmental challenges, basic services backlogs and living conditions within informal settlements vary greatly. Generally one can identify two main types of informal settlement:

- *Very dense informal settlements* which are usually located on inner city land or as infills within existing suburbs and townships. The top-structures typically encountered in such settlements are usually described as make-shift 'shacks' or 'imjondolo'. It is usually such settlements which are referred to as 'slums'. The shacks in such settlements are usually very close together or may even be virtually continuous with one another with limited narrow footpaths representing the main form of access. There is typically no open space within such settlements which has not been used for building accommodation. There are few if any 'gardens' or 'yards'. Such settlements are typically very difficult to upgrade and if upgraded it is very difficult to avoid significant relocations, even if innovative 'densified' housing options and layouts are pursued. The living conditions within such settlements are usually very challenging with high risks associated with fire, crime, undisposed waste, and communicable diseases.
- *Moderately dense settlements* which are usually located on the urban periphery, adjacent to existing townships or suburbs. Such settlements, whilst they certainly qualify as being informal settlements, have significantly lower densities. The living conditions, whilst challenging, are typically better than very dense informal settlements. Whilst make-shift shacks may be present, there is typically a high incidence of more substantial dwellings made of wattle, daub and tin or even blocks and tin.

6. Policy Context

The policy context to this Strategy is addressed more fully in **Annexure L.** The following section however extracts and highlights some of the most critical policy issues:

- The Constitution of the Republic of South Africa: The right to housing and basic services is enshrined in the Constitution.

- Housing Act (1997): This Act introduces a variety of programmes to address housing and basic services for the poor. These programmes are set out more fully in the National Housing Code.

- National Housing Code: The most important part of the housing code relevant to informal settlements is Part 3: 'Upgrading Informal Settlement'. This Part flows directly from 'Breaking New Ground'.

- Breaking New Ground: The national Comprehensive Plan for Sustainable Human Settlements (2004), states that "Informal settlements must urgently be integrated into the broader urban fabric to overcome spatial, social and economic exclusion." To enable this integration the department has introduced a new, Upgrading of Informal Settlement Program (UISP). This program supports a phased in-situ upgrading (Including interim services) approach to informal settlements, in line with international best practice. Furthermore, the upgrading process is not prescriptive, but rather supports a range of tenure options and housing typologies.

- Part 2 of the National Housing Code: This sets out the policy context for the upgrading of informal settlements. It states that upgrading will take place on a progressive basis in a phased development approach that is flexible, needs-oriented, optimises use of existing land and infrastructure and facilitates community participation in all aspects of development.

- Upgrading of Informal Settlements Programme (UISP) (Part 3 of the Housing Code): This programme emphasizes in situ upgrading over relocations and emphasizes an incremental, infrastructure-led approach. The policy intent of the programme is as follows:

  "The key objective of this programme is to facilitate the structured in situ upgrading of informal settlements as opposed to relocation to achieve the following complex and interrelated policy objectives:

  - **Tenure Security:** to enhance the concept of citizenship, incorporating both rights and obligations, by recognising and formalising the tenure rights of residents within informal settlements;
  - **Health and Security:** to promote the development of healthy and secure living environments by facilitating the provision of affordable and sustainable basic municipal engineering infrastructure to the residents of informal settlements. This must allow for scaling up in the future; and
  - **Empowerment:** to address social and economic exclusion by focusing on community empowerment and the promotion of social and economic integration, building social capital through participative processes and addressing the broader social needs of communities."

- People's Housing Process (PHP): PHP is a subsidy instrument which is potentially very relevant and applicable to informal settlement upgrading. However this instrument has been in a process of review and redesign for several years and this process has not yet been finalized. The new PHP policy will focus on fuller and more meaningful community ownership and contributions and envisages a key role for Community Resource Organisation (CRO) which provides the necessary support and capacitation to the community. It views PHP as applying principally to top-structure delivery and regards the provision of land and services as a Municipal responsibility. There are still areas where further clarity on the final new PHP framework is required including: a) the availability of preparation funding for PHP for CRO's; b) the role of communities and CRO's in project preparation and settlement planning; b) whether or not a municipality can play the role of a CRO.

- National Delivery Agreement: Outcome 8: A National Delivery Agreement (ministerial performance agreement) has been established between the Presidency and the National Department of Human Settlements (NDoHS). This is one of twelve outcomes for development which were formulated in

January 2010 and which form part of the National Medium Term Strategic Framework for the period 2010-2014. Outcome 8,, 'Sustainable human settlements and improved quality of household life', contains a major focus on informal settlements and is described in more detail in the Performance Agreement signed by the President and Minister for Sustainable Human Settlements in April 2010, which requires the Minister to ensure that the following outputs are produced to achieve Outcome 8:

- *Output 1: Upgrading 400 000 units of accommodation within informal settlements*
- *Output 2: Improving access to basic services*
- *Output 3: Facilitate the provision of 600 000 accommodation units within the gap market for people earning between R3 500 and R12 800*
- *Output 4: Mobilisation of well located public land for low income and affordable housing with increased densities on this land and in general update to signed copy*

Outcome 8 has given rise to several subsidiary delivery agreements in order to meet its objectives and achieve its outputs. These are summarized below[2]:

Output	Delivery Agreements
Output 1: Accelerated Delivery of Housing Opportunities	Between the Minister of Human Settlements and various provincial MEC's as per the IGR Act
Output 2: Access to basic services	Between the Minster of Human Settlements and the Minster of Cooperative Governance
Output 3: Efficient Utilisation of Land for Human Settlements Development	Between the Minster of Human Settlements and the Ministers of Public Works, Public Enterprises and Rural Development and Land Reform

The following key principles are central to Outcome 8:

- Prioritization of well located land;
- Negotiated and appropriate basic levels of service;
- Community participation;
- Densification (achieving higher settlement densities);
- Improved spatial efficiency.

6.1. KZN Delivery Agreement: Outcome 8

The KZN Delivery Agreement for the Output of 'Accelerated Delivery of Housing Opportunities' was signed between the National Minister for the NDoHS and the MEC for the KZN DoHS in November 2010. In terms of this delivery agreements there are some important refinements and clarifications of the overarching Outcome 8 targets. The KZN Outcome 8 performance targets are quoted as follows:

[2] KZN Delivery Agreement for Outcome 8, Output 1 - Accelerated Delivery of Housing Opportunities

- *Upgrade 76,200 households in well located informal settlements with access to basic services and secure tenure;*
- *Development of 15,240 well located and affordably priced rental accommodation*
- *Accreditation of 1 Metropolitan Municipalities*
- *National Upgrading Support Programme cover to 5 municipalities.*

Importantly there has been an obvious shift since the formulation of Outcome 8 in terms of the interpretation of what constitutes 'accommodation within informal settlements'. The KZN Delivery Agreement makes it clear that the emphasis is on:

- Well located settlements;
- Providing basic services;
- Providing security of tenure.

Whilst this does not preclude the provision of top-structures (i.e. full upgrading for informal settlements), it shows a clear movement away from top-structures being the major emphasis. This also reflects an intention to prioritise the provision of interim services a primary, mainstream developmental response in order to address the challenge of informal settlements.

- Annexure A to KZN Delivery Agreement: The Annexure A to the Agreement (a document produced by the NDoHS) is an important document which reflects a new national realization that the development of sustainable human settlements is 'not just about building houses', is about 'moving towards efficiency, inclusion and sustainability', and about 'promoting improved access to work and social amenities'[3]. The Annexure A to the Agreement defines an 'improved quality of household life' in the following terms (quoted extract)

  - Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable;
  - Access to basic services (water, sanitation, refuse removal and electricity);
  - Security of tenure irrespective of ownership or rental, formal or informal structures;
  - Access to social services and economic opportunity within reasonable distance. [4]

- Housing Sector Plans: Housing Sector Plans are an important part of Municipality's Integrated Development Plans (IDP) and should include a focus on informal settlement where this exists within the municipality.

- KwaZulu-Natal Elimination and Prevention of Re-emergence of Slums Act, 2007: The Act aims to; 'To provide for the progressive elimination of slums in the Province of KwaZulu Natal; to provide for measures for the prevention of the re-emergence of slums; to provide for the upgrading and control of existing slums…'. It aims to achieve these goals primarily through, formalising informal settlement planning in the overall municipal planning processes.

  This requires municipalities to enumerate existing informal settlements and their overall living conditions, and thereafter to report on progress to date in both the development of prioritised informal settlements and on improving living conditions in other settlements.

[3] Annexure A to KZN Delivery Agreement, pg 7
[4] Annexure A to KZN Delivery Agreement, pg 7

These municipal reports are then collated and summarised by the MEC for reporting to the provincial legislature, providing an overall planning cycle ensuring that the informal settlement program remains a priority for each municipality.

The act also provides policy direction on various components such as unlawful occupation, the use of sub-standard accommodation, as well as the role of private landowners and municipalities in relation to the eviction of unlawful occupiers.

Section 16 of the act dealing with the eviction of unlawful occupiers and the matter was referred to the Constitutional Court for a decision and declared unconstitutional in October 2009. This section requires a private landowner to evict unlawful occupiers in terms of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 1998 (PIE) within a specified period and if failing to do so, requires the Municipality to proceed with the eviction in terms of PIE. According to the judgment, section 16 would have allowed for the possibility of mass evictions without the possibility of suitable alternative accommodation and would have therefore violated the Prevention of Illegal Evictions Act (PIE Act) and South Africa's Constitution.

- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 1998 (Amended In 2005 And 2008) (PIE): The PIE Act is a critical piece of legislation in South Africa giving effect to Section 26 (3) of the Constitution of the Republic of South Africa, 1996, which states that: *"No-one may be evicted from their home, or have their home demolished without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions".*

- KwaZulu-Natal Sustainable Human Settlement Strategy (SHSS): The drafting of the KZN SHSS was finalized in January 2011 with formulation having commenced in 2008. Whilst approved by DoHS Management it is not yet approved by the MEC and Cabinet. Such approval is expected early in 2011. Some of the key features of the KZN SHSS which are relevant for this Strategy are as follows:
  - The SHSS places a high priority on informal settlements in general and incremental informal settlement upgrading in particular.
  - Informal settlements in urban areas are identified as 'probably the largest challenge' in respect of human settlements in KZN.
  - All of the SHSS's four core objectives relate to informal settlement upgrading in various respects.
  - 'Improved access to basic services' is identified as one of four main outputs of the KZN SHSS.
  - The provision of 'basic health and safety infrastructure on land occupied by informal settlements is identified as a key activity.
  - The good location of many informal settlements is recognized with respect to their inclusion in Municipality's land acquisition strategies.

- Millennium Development Goals: The Millennium Development Goals of the United Nations to which South Africa is party are an important factor in South Africa's policies and developmental programmes. The goal to significantly improve the lives of at least 100 million slum dwellers globally by 2010 is of particular relevance and is referred to in such documents as the UISP in the Housing Code and Outcome 8.

- Provincial Growth and Development Strategy (2005): The Provincial Growth and Development Strategy (PGDS) addresses fundamental issues of development spanning the social, economic

and political environment. According to the PGDS sustainability is a key element for the new agenda for growth and development for the province of KwaZulu-Natal. The broad aims of the PGDS are to:

- Develop a framework for the future direction of policy and strategy development;
- Outline strategic interventions, goals and targets to direct development and planning initiatives; and;
- Ensure a common vision and coordinated action by government and partners in implementation.

- Provincial Spatial and Economic Development Strategy (2007): The Provincial Spatial and Economic Development Strategy (PSEDS) identifies poor co-ordination and integration of planning, budgeting and implementation, as well as a lack of spatial prioritisation of resource allocations as the primary challenges to the implementation of effective provincial growth and development in the province. PSEDS therefore sets out to:
  - Focus where government directs its investment and development initiatives;
  - Capitalise on complementarities and facilitate consistent and focused decision making; and
  - Bring about strategic coordination, interaction and spatial alignment

- National Upgrading Support Programme (NUSP): The National Upgrading Support Programme, (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The NUSP is an important initiative which works closely with government at all levels in achieving Output 1 of Outcome 8.

  Five municipalities were identified in each province to ensure national coverage of the programme. The final selection puts forward 49 municipalities identified as areas of highest informal settlement pressure, which are then briefed about the programme and invited by the NDHS to participate. The KwaZulu-Natal Municipalities that have been selected are as follows:

  Ethekwini Metro
  KwaDukuza Municipality
  Msunduzi Municipality
  Newcastle Municipality
  Umhlatuze Municipality

  Further to the Municipal support detailed above, NUSP aims to provide resource kits to guide practitioners in the incremental upgrading processed and to provide a training program to build capacity among officials, professionals and community members, enabling a collaborative effort in project design and implementation:

7. How to make use of the Strategy Document

This document is intended to be utilized by:

- The KZN DoHS;
- Municipalities in KZN;
- Other sector Departments (e.g. Health, Social Development, Education);

- NGO's and private sector role-players involved in informal settlement work and upgrading.

The following broad comments are made to assist readers in making good use of this document:

- For understanding the process of categorizing settlements and determining the appropriate developmental response: Refer to the Flow Chart (**Annexure F**) as well as the Project Classification Guideline in Part 3, section 5.
- For preparing, planning and delivery responses: Refer to the methodologies and toolkits contained in **Annexures F, G and H**.
- For information on your municipality: If included this will be **Annexure J.**
- For understanding your roles and responsibilities in delivering on this Strategy: Refer to the Logframe in **Part 4.**
- For better understanding how different sectors / spheres of government can better integrate their activities: Refer to Part 3, Section 9 'Sector Alignment Guidelines'.

PART 2: SITUATIONAL ANALYSIS

1 Analysis of Demand

Whilst it is impossible to determine the exact scale of informal settlement in KwaZulu Natal (i.e. the informal settlement backlog), based on an assessment of various data sources as well as feedback obtained from various municipalities, it is estimated that there are at least 306,076 households residing within informal settlements within the 51 local municipalities in KwaZulu Natal. It is possible that the actual numbers may be higher than this. Of this number, approximately 95% is located within 11 municipalities[5] and 78% % is located within eThekwini alone (494 settlements). It is noted that this represents a significant increase of 73% relative to the Census 2001 data which put the backlog at 177,190 households. The main reason for this increase is the significant increase in the estimate for the informal settlement population within eThekwini Municipality which has increased from 123,098 to 239,436, an increase of 95%. Please refer to **Annexure A** of this Strategy for a provincial analysis showing the revised informal settlement backlog for all municipalities in KZN (which includes a comparison to Census 2001 and Department of Land Affairs 'Urban Edge' data) as well as **Annexure B** for a more detailed analysis of the backlog of the 17 municipalities initially prioritized during phase1 of the development of the Strategy.

On a cautionary note, it is emphasized that not all informal settlements face equal developmental challenges and basic services backlogs. The living conditions and lack of basic services within very dense infill settlements are typically significantly more challenging than they are within medium density urban fringe settlements (refer also to section 6 of part 1 'Introduction'). The proportion of informal settlement located within these different types of informal settlement has not been determined. It is however expected that less than half of the total informal settlement backlog is located within informal settlements of the very dense infill variety.

It is also noted that there are anomalies of very dense rural settlements which are not located within or close to an existing urban centre yet are similar to urban informal settlements, even to the extent that they may contain a significant number of make-shift 'shacks'. An example of this is the Dukuduku settlement near Mtubatuba. Special consideration needs to be given as to how such settlements are dealt with and whether they are regarded as rural or urban projects. To some extent this will be determined by underlying land ownership and the prospects and appropriateness of proclaiming a formal township. The provision of interim basic or emergency basic services is however a developmental response which is appropriate equally to both urban and rural shack settlements.

[5] eThekwini, Msunduzi, Newcastle, UMhlathuze, Abaqulusi, KwaDukuza, Hibiscus Coast, Mandeni, Umdoni, Emnambithi and Greater Kokstad

2 Overview of Key Issues

2.1 Backlogs persist or increase despite significant housing delivery

Despite significant delivery of top-structures in South Africa since 1994 via the national housing programme, informal settlements still exist on a large scale and in many areas they have grown. Contributing factors to this situation have been ongoing rural-urban migration and a trend towards smaller household formation in dense urban areas. According to the NUSP, the scale of the housing backlog has in fact significantly increased from approximately 1.5million households in 1994 to approximately 2.1million in 2010 and the number of informal settlements during this period has increased from 300 to 2,700. From these figures it is clear that the current approach to housing delivery premised primarily on the delivery of top-structures is ineffective as a stand alone strategy for addressing the challenge of informal settlement.

2.2 Conventional housing delivery slow and costly

Conventional housing delivery (i.e. a fully serviced site, tenure and a tops-structure) is very expensive. The total effective cost of delivering the complete housing product typically ranges from between R100,000 and R120,00 per unit once all costs including land acquisition and services top ups are factored in. Furthermore, the actual timeframe for producing this product in the case of in-situ upgrades is typically between 8 and 10 years from the commencement of feasibility and planning to the completion of top-structures. Some of the factors contributing to this are the lengthy timeframes associated with such project activities as land acquisition, town planning approvals, environmental authorizations, bulk services provision, and providing for relocations. Most Municipalities and provincial authorities significantly underestimate both the costs and timeframes.

2.3 Informal settlement upgrading now a national strategic priority (Outcome 8)

Informal settlement upgrading mainly via the provision of basic services and secure tenure is now regarded as a national development priority as reflected in the National and Provincial Outcome 8 Delivery Agreements. Not only is the issue of informal settlements regarded as critical for developmental reasons but it is also recognized as posing a potential security threat to South Africa if not addressed. It is noteworthy that the following are included in Outcome 8 as key strategic principles:

- Prioritization of well located land;
- Negotiated and appropriate basic levels of service;
- Community participation;
- Densification (achieving higher settlement densities);
- Improved spatial efficiency.

2.4 Conventional housing approach cannot resolve the backlogs

For a range of reasons, some of which are outlined above, the conventional approach to housing and addressing informal settlement (i.e. the provision of a top-structure, serviced site and full tenure) is recognized by both government and civil society as being unable to address informal settlement backlogs as a stand alone strategy. Reasons for this include cost, timeframes, availability of land and bulk services, and capacity. According to the NUSP,

taking into account the current context and the current rate of UISP spend on informal settlement upgrading, it would take until 2037 to meet 2014 target if conventional upgrading were to be utilised as the sole strategy. It is emphasised that the constraint to meeting the targets through conventional upgrading is however not only one of budgetary constraints, but more importantly the significant complexity and protracted timeframes associated with conventional housing delivery in general and in particular in respect of informal settlement upgrading. Media statements from the National DoHS during 2010 already suggest that the initial 2014 timeframe may need to be shifted to 2020 and possibly even beyond that.

2.5 Interim basic services now recognized as the primary informal settlement instrument

The KZN Human Settlements Delivery Agreement for Outcome 8, the programme focus of the NUSP, as well as the housing plans of both eThekwini Municipality and Msunduzi Municipality all clearly reflect a shift in focus towards the provision of interim basic services as the primary DoHS investment aimed at addressing the challenge of informal settlements. It is accepted that additional, non DoHS investments will also be necessary (e.g. in respect of education, health-care and economic development).

2.6 Increasing community pressure and service delivery protests

Frustration at grassroots level with the perceived slow rate of delivery of housing and basic services are increasing as evidenced by an increasing incidence in service delivery protests. Frustration has been fueled by ongoing election-time promises of housing delivery which have in most instances not been met due in large part to the inherent constraints to delivery such as cost, timeframes, capacity, and land and bulk service availability. Because basic services have historically been linked to land acquisition, tenure and housing delivery Municipality's hands have to some degree been tied in addressing the scale of the challenge given that MIG grants are not designed to meet basic urban settlement servicing.

2.7 Closer monitoring of provincial housing expenditure

Whereas historically there was considerable flexibility allowed in terms of how provinces spent their housing budget and in particular in respect of deviating from their initial programme target, it is evident from the Outcome 8 Delivery Agreements that from FY2010/11 there will be much closer monitoring of provincial expenditure to ensure that actual programme commitments are followed. One implication of this is that there is likely to be less flexibility in terms of re-allocating funding between programmes (e.g. utilizing funding intended for informal settlement upgrading for rural housing delivery).

2.8 Utilising rural housing to meet delivery targets

In several provinces (e.g. Northern Province and KZN) there has been a tendency to utilize rural housing as a way of meeting topstructure delivery targets, given that rural housing is far quicker and easier than urban housing delivery (e.g. no formal planning approvals, land acquisition, township establishment, and limited infrastructure investment requirements). Notwithstanding questions being raised in many circles as to the appropriateness and sustainability of the rural (including from the KZN Provincial Planning Department and some

within the KZN DoHS), it is now clear from Outcome 8 that informal settlement upgrading and urban housing should receive a greater focus and share of the budget.

2.9 Understanding settlement formation and livelihoods of the urban poor

Responses to informal settlement need to take into consideration the genesis and livelihoods factors relating to a specific settlement. The methodology and toolkits contained in Annexures G and H take this into consideration. Whilst the provision of interim basic services is relevant to all settlements, the exact package which is appropriate and the additional interventions (e.g. relating to health care, education and fire protection) will vary. It is important that these specific local factors are understood in broad terms *before* response are formulated. There is otherwise a risk that infrastructure and other interventions may inadvertently disrupt local livelihoods and survival strategies which are typically fragile and sensitive to external stresses and shocks.

2.10 The risks associated with relocations

Whilst relocations were historically regarded as the easiest 'quick-fix' for informal settlements, experience has shown that they seldom work for the relocates who often vacate or sell their site in a permanent or temporary relocations destination only to return to live in another informal settlement or even to re-occupy the land from which they were relocated. This occurs because, the livelihoods and survivalist strategies of the urban poor are 'marginal' and highly sensitive to external shocks and stresses. They are also typically high location specific. It should be borne in mind that relocations occur not only when an entire settlement is relocated but also when upgrades occur. Most well located, high density informal settlements when fully upgraded typically result in a reduction in densities and the need to therefore relocate a certain proportion of the residents to another site. The following are a few examples of how and why such disruption typically occurs:

- access to and benefits from local social networks (e.g. for day care, meal sharing etc);
- access to nearby formal work opportunities (e.g. industrial / commercial precinct);
- access to nearby informal work opportunities (e.g. car guarding) or other survivalist opportunities (e.g. sifting solid waste at a landfill);
- access to nearby schools children;
- access to clinics and hospitals;
- access to public transport;
- disruption of existing tenant and sub-tenant relations.

2.11 Social networks and social capital

There is significant value to the urban poor in the social networks within the informal settlements in which they reside. This can be seen as a social 'asset' or social 'capital' and its existence needs to be taken into consideration by municipalities when making developmental or relocations decisions.

2.12 Need for densification and better urban efficiency

There is by now a general recognition that low income housing development in general and informal settlement upgrading in particular needs to be undertaken differently in future if it is

to support long term urban restructuring and promote more efficient cities. The following are some of the important ways in which this can be achieved:

- Increased urban design input as part of the town planning process to ensure amongst other things a better interface and congruency between architectural, design, town planning layout, and engineering services layout and design;
- Utilizing double storey attached low income housing units;
- Reduction of the extent of vehicular road access and the use of more pedestrianised layouts;
- Terracing of sites using low cost retaining walls;
- Landscape design to ensure a more 'green' environment.

2.13 Community participation

Whilst community participation is essential and the need for it cannot be over-stated, it also needs to be undertaken in an appropriate fashion. The process of working with the urban poor is inherently challenging and residents are often prone to frustration as a result of past expectations which have not been met, limited access to information, and a lack of understanding as to the actual time-frames for delivery. The following are some of important factors which need to be borne in mind:

- Consulting too heavily and too early on may unnecessarily raise expectations, place excessive pressure on the municipality and result in development fatigue – care therefore needs to be taken to get the timing and intensity of participation right and to ensure that there is proper co-ordination between social and technical aspects of the project;
- Whilst care must be taken to ensure an adequate understanding of genesis of the community as well as its core needs and the potential contributions it can make, care must be taken to ensure that the community are always aware of the actual constraints to delivery (e.g. in terms of what infrastructure can and cannot be funded and how long things will take to happen).
- Social facilitation and participation needs to be facilitated by people who have the requisite skill and experience. This is not an area of work to be delegated someone with limited experience. The facilitator needs extensive experience in community facilitation as well as a good understanding of the technical aspects of low income housing. An inexperienced facilitator will in all likelihood be unable to cope with the inevitable pressure that will come to bear on him/her and this will inevitably result in tensions if not fundamental risks to the success of the targeted developmental responses.

3 Appraisal of Key Challenges

3.1 Crosscutting challenges relating to informal settlement development generally

CHALLENGE	POTENTIAL MITIGATION
Lack of adequate **municipal and DoHS capacity** (often municipalities have only one or two housing officials with insufficient experience – even eThekwini Metro relies on procuring significant external private sector and NGO capacity to provide the significant capacity it requires)	Ensure sufficient preparation funding provided to enable municipality to procure the necessary private sector and NGO resources to assist it in the critical preparation / pre-implementation stages of projects.
Lack of adequate **information on existing informal settlements**	Ensure rapid up front assessment and categorization of informal settlements is undertaken and DoHS to provide funding for this to occur.
Poor communications and mutual trust and understanding between municipality and community	Municipalities to ensure greater transparency on their programmes. Councillors to avoid rash pre-election promises which cannot be delivered on. Municipalities to recruit or procure suitable facilitation personnel to ensure ongoing liaison with community leadership. Avoid working solely through ward councilllor and ward development committee. Ensure direct communications with local community structures. Undertake lightweight socio-economic profiles and focus group interactions early during project preparation to ensure adequate understanding of community.
Challenging sites (e.g. steep, poor geotech, prone to flooding etc)	Ensure adequate preparatory assessment and technical / feasibility work is undertaken to ensure that an appropriate developmental response is formulated
Limited utilization of incremental approach to upgrading (i.e. interim basic services as stage 1 as per UISP policy) (except within eThekwini)	Promote and mainstream incremental interim service approach as primary tool for delivery at scale
Intense and diverse Socio-Economic developmental challenges within informal settlements (not just basic services but also fire protection, education, health care, employment etc)	Promote an integrated, multi-sectoral approach with buyin from various spheres of government. Utilise practical participative community action plans to guide the main intervention priorities.
Slow KZN DoHS subsidy approval process – usually taking anywhere between six months and two years from the date of first submission	Speed up DoHS assessment and approval process. Log in date of first receipt of application. Provide written letter of receipt of application and 'k' number within specified period (e.g. two weeks). Set maximum timeframes (e.g. two months) for completion of evaluation and provision of written evaluation (including request for additional information, mitigation or

	clarification). If internal capacity is lacking then procure additional outsourced evaluation capacity.
Poor intra-governmental co-operation	Obtain buy-in to this Strategy from other key spheres of government. Ensure that preparation work undertaken with DoHS funding includes a focus on other sectors (e.g. via participative multi sector community action plans; integrated local spatial plans).
Lack of adequate preparation and planning	Make DoHS preparation funding readily available to municipalities based on their HSP's and assessments, categorization and prioritization of informal settlements. Include preparation funding for full upgrades, interim services, emergency services and relocations. Avail funding based on written applications. Ensure release of preparation funding is streamlined and quick so as to avoid delays to the development of a well prepared 'pipeline' of viable and appropriate informal settlement projects.
Insufficient DoHS funding for informal settlement upgrading / UISP – the sufficiency of funding depends largely on the mix of full upgrading: interim services: relocations which is undertaken as well as whether or not the KZN DoHS succeeds in obtaining the budget currently on its MTEF framework	DoHS to review its MTEF once further informal settlement profiling information is available from municipalities. Decide appropriate mix of different responses. If budget is insufficient then consider reduction in budgetary commitment to rural housing in favor of informal settlement upgrading.

3.2 Challenges relating to full, conventional upgrading

CHALLENGE	**POTENTIAL MITIGATION**
High cost (DoHS unit cost of R77,868; total cost including land, bulks and services top ups of R100-R10k per unit)	Maximise high investment through careful selection of best located full upgrade projects and where appropriate increasing densities
Time-consuming process **approvals & authorizations** (township establishment, environmental authorizations and planning approvals)	Little can be done to rapidly address this. There is some potential that the PDA may assist, but given that it is new and unfamiliar to municipalities, this is not assured.
Time-frames for **land acquisition**	Commence with land acquisition early in the project cycle, allocated sufficient properly funded professional resources
Full **title** reverts to informal title (informal sale of sites)	Assess the potential via pilot projects for alternative formal individual tenure (e.g. locally administered certificate of occupation which is upgrade-able to full title)
High **settlement densities**	Promote more effective settlement planning, urban design and architectural

	work on well located projects. Make additional professional fees available for such work. Accept that densification comes at a slight cost premium but that the opportunity cost may be greater.
Partial **relocations** (planning yield less than existing number of households yet lack of suitable alternative land or low income projects with 'excess' sites)	Plan ahead for relocations destinations. Ensure proper resident community participation process.
Insufficient readily accessible **funding for land acquisition** and related professional work (DoHS typically only release this funding once the project is approved yet can't approve a project until land is secured – this produces a 'chicken and egg' situation. The DRDLR is under-capacitated and under-funded and cannot deliver on this in urban areas – it is an extremely slow and challenging process to access DRDLR funding)	Identify and ring-fence dedicated DoHS funding not only for land acquisition but also for related professional work (e.g. for land legal work, land negotiations, land agreements, valuations, expropriation etc). Don't rely on the DRDLR.
Non-eligible residents (e.g. 'illegal' immigrants) – Full upgrading may be risky and counterproductive in communities with high populations of non-eligible residents as they may resist the upgrade and formalisation	Ensure assessment of this risk as part of initial settlement profiling (assessment and categorization stage) and include in socio-economic survey. Don't 'force' the upgrade if this risk is significant (e.g. significant proportion or residents oppose the full upgrade). Rather opt for interim basic services which don't necessitate beneficiary registration.
Prevailing informal tenure relations (e.g. 'shack farming', informal sub-tenancy etc)	As above (i.e. ensure early assessment of this risk). Don't 'force' the upgrade if this risk is significant and cannot be addressed / resolved. Rather opt for interim basic services which doesn't threaten or undermine existing tenure relations.
Gross underestimation of timeframes for full upgrading	Ensure that all KZN DoHS and Municipal housing personnel understand the 'real' timeframes associated with conventional, full upgrading (i.e. typically between 8 and 10 years from commencement of feasibility and planning to completion of top-structures). Budget MTEF and project pipeline accordingly (i.e. need many projects to achieve necessary pipeline and cashflow / expenditure).

3.3 Challenges relating to the provision of interim basic services

CHALLENGE	**POTENTIAL MITIGATION**

UISP policy not being utilized for interim basic services (phase 1 of the UISP incremental process) – limited / no KZN precedent	KZN DoHS to rapidly activate the UISP for interim basic services taking into consideration the need for additional flexibility (see below)
UISP policy suggests **land acquisition** concurrent with the delivery of interim basic services – given the challenges and timeframes associated with land acquisition this would in most instances result in substantial delays to the delivery of interim services thereby defeating their original purpose and relevance	Separate land acquisition from the delivery of interim services (i.e. remove it as an essential pre-requisite and make it optional). Ensure that all sites approved for interim services have been subject to adequate feasibility work (refer to the toolkits contained in Annexure H)
UISP Phase 1 budget too small (R2,966.74 as per 2010/11 subsidy formula) to enable meaningful interim infrastructural responses – interim responses in eThekwini are costing in the region of R20,000 or more per site)	Significantly increase the budgetary threshold for interim services contained in the UISP. Otherwise rely mostly on the USDG for this purpose, although it is noted that this may to some extent undermine the role / credibility of the KZN DoHS in interim services delivery and would also compromise non-accredited municipalities which cannot access the USDG.
Prevailing **narrow definition of what constitutes secure tenure –** many stakeholders regard secure tenure as equivalent to a title deed when in fact it can be provided through many other means – if the provision of a title deed were to be made a pre-requisite for the delivery of interim services then it would result in massive delays to their implementation and thereby defeat their original purpose and relevance	Allow municipal recognition (based on up-front assessments and categorization of informal settlement) to constitute sufficient secure tenure for the delivery of interim basic services (it being noted that such recognition means that a municipality has no intention of evicting or relocating residents and conversely has both the intention and the ability (in the medium to long term) to commence with a full upgrade.
Beneficiary registration – suggested in UISP even though beneficiaries do not have to be eligible for housing assistance during ph1	Do away with beneficiary registration during the interim services stage – only enforce this when the stage of full upgrading comes (i.e. top-structures and tenure delivery)

3.4 Challenges relating to the provision of emergency basic services

CHALLENGE	POTENTIAL MITIGATION
Lack of confirmed source of grant funding – may not be eligible under UISP given that it does not lead to an eventual full upgrade; USDG only for accredited municipalities; MIG not appropriate or adequate	KZN DoHS to assess the potential to use UISP or emergency housing funding for this purpose and advise all stakeholders accordingly. Otherwise investigate other options (e.g. availing USDG to non-accredited municipalities).

3.5 Challenges relating to relocations

CHALLENGE	POTENTIAL MITIGATION
Lack of suitable **land for green-fields** project	Exercise care in commencing with relocations unless it is both necessary and will benefit the livelihoods of relocates. Municipalities to put in place land identification and acquisition plans, making sure that all land identified for acquisition has been subjected to at least a detailed pre-feasibility to confirm that it is a viable and appropriate site for housing development. In a worst case scenario, where the relocation is urgent due to imminent threat to health and safety of residents and there is no available permanent relocations destination, then a temporary / emergency relocations site should be investigated and DoHS funding applied for. However municipalities should bear in mind that temporary relocations sites often become a permanent fixture and may be difficult to decommission, especially where they are utilized for several years and residents become 'entrenched' in the particular micro-location and their livelihoods become adapted to it.
High **cost of green-fields** project on relocations site	As above – Exercise care in commencing with relocations unless it is both necessary and will benefit the livelihoods of relocates. Ensure that the new site is both viable and appropriate. Where land is scarce, seek to maximize densities.
Disruption of livelihoods and survivalist strategies of relocatees	Ensure assessment of this risk as part of initial settlement profiling (assessment and categorization stage) and include in socio-economic survey. Provide relocates with a site visit to new / prospective relocation destinations. Ensure a proper consultation and participation process. Don't 'force' the relocations if this risk is significant and there is no imminent threat to the health and safety of the residents – rather consider the provision of emergency basic services as an interim measure whilst other strategies are pursued in consultation with the community.

4 Overview of 17 Prioritised Municipalities

As initially indicated in the methodology presented in Part 1 section 3 above, 17 municipalities were prioritised in the first phase, for the focused development of the strategy. These municipalities were prioritized based on the KZN DoHS' backlog list, which utilises Census 2001 data, it was agreed that the primary focus of the strategy would be the 17 municipalities which contain 95% of all the informal settlements in KwaZulu-Natal. This prioritisation was confirmed with the DoHS. These municipalities were as follows:

1. EThekwini Metropolitan
2. KZ225: Msunduzi
3. KZ292: KwaDukuza
4. KZ282: uMhlathuze
5. KZ252: Newcastle
6. KZ291: eNdondakusuka
7. KZ232: Emnambithi/Ladysmith
8. KZ216: Hibiscus Coast
9. KZ212: Umdoni KZ5a4: Greater Kokstad
10. KZ266: Ulundi
11. KZ222: uMngeni
12. KZ272: Jozini
13. KZ293: Ndwedwe
14. KZ227: Richmond
15. KZ263: Abaqulusi
16. KZ281: Mbonambi

4.1 Main Trends

The following main trends have been drawn from the situational analysis of the 17 municipalities prioritised in the first part of the development of the strategy.

It is critical to understand the drivers of establishment and growth of informal settlements. In most cases settlements were established due to improved access to economic opportunities (i.e. Ethekwini, Msunduzi, Umdoni etc.); however, further drivers for establishment include increased transport costs and access to schooling (specifically identified in Umdoni). In other cases (e.g. KwaDukuza) settlements patterns clearly indicate the prevalence of shack farming by private landowners.

The situational analysis has also highlighted a number of *dense rural settlements*, such as around the Sundumbili area and in the Dukuduku forest settlements. These settlements are effectively small urban areas and potentially informal settlements within a rural area. It is suggested that detailed and rapid assessments be carried out in these areas to reclassify these settlements accordingly. In some cases, these dense rural settlements are being catered for through the rural subsidy mechanism often resulting in a lack of the required formalisation through township establishment and the delivery of a lower service level to these communities.

On the other hand, in certain cases and especially in relation to peri-urban sprawl, rural settlements are currently being included in 'slums eradication' programmes such as the case of Vulindela area in Msunduzi municipality, which is in fact a rural area.

Estimates of the existing number of units provided by the 17 municipalities indicate that while 281,560 informal households have been estimated for these municipalities, planned municipal 'Slums Clearance' projects aim to deliver 309, 151 housing units.

It is however promising to see that the majority of the municipalities which have the largest number of informal settlements, such as eThekwini, Msunduzi, Newcastle, KwaDukuza and uMhlathuze, have developed comprehensive informal settlement strategies. It is pleasing to note that both the eThekwini and Msunduzi strategies support key principles such as:

- Preliminary classification of existing settlements to select the best development response for each;
- The provision of interim basic services to projects which cannot be upgraded in the short term;
- Favoring upgrading and only reverting to relocation of communities as a last resort;
- Densification to maximise the delivery of housing opportunities in well located land;

However, a number of concerns have also been raised during the course of the development of this strategy. These concerns have been detailed below:

- A number of municipalities do not have sufficient base information on their informal settlements to enable them to complete the preliminary assessment and classification process. In these municipalities it is critical that rapid upfront assessments of these settlements be implemented before proceeding with their current housing strategies. However, it should be noted that in a few cases informal settlements have not been captured in either of these data sets. Planning appropriate informal settlement development responses can therefore only occur once further enumeration processes or socio-economic surveys within ring fenced settlements have been undertaken.

- While a number of municipalities have progressed significantly in terms of the identification and securing of land for informal settlement development, many municipalities have not identified or secured any land for development.

- Informal settlements upgrades are complex and demanding and in many cases inexperienced municipal housing officials are required to implement these projects will little or no support from the KZN DOHS. In some cases municipal officials indicated that they did not feel that their 'slum clearance' projects were receiving priority attention from KZN DoHS when it came to approval processes and dealing with project difficulties.

- There is also a tendency, especially in the smaller municipalities (such as Umdoni and uMngeni) to plan for the relocation of all informal settlers when upgrade options could possibly be investigated further. In some cases it seems that enumeration figures for these settlement have also been overestimated. (e.g. Sanathan in Umdoni, a small site with 776 households counted by the municipality)

- The 2008 Urban Edge Data has also indicated that in some areas municipalities are focusing their attention on informal settlement projects that do not relate to the existing settlement patterns. Where this has occurred it has been suggested that the municipal housing officials implement a rapid preliminary assessment of these areas to confirm if they are informal settlements that require

further attention e.g. Ndaleni in Richmond; the coastal dunes areas of Mbonambi; and around Mphophomeni in uMngeni municipality.

- Some housing sector plans only broadly suggested 'Slums Clearance' projects based on Census 2001 figures for informal dwellings per ward. This often resulted in the identification of 'slums clearance' projects in certain wards which were predominantly rural and do not actually have any informal settlements (e.g. Mandeni and Richmond)

4.2 Summary profile

Municipal-ity	Est. I.S. Backlog	Provin-cial I.S. Priority?	Sufficient I.S. information available to decide appropriate responses?	I.S. upgrading programmesu nder implement-tation?	Establish-ed interim services program mes?	Municipal land identificat ion process in place?	Establish-ed interim services programme s?	Key Issues
eThekwini	**239,436**	Yes	Yes	Yes	Yes	Yes	Yes	➢ Massive scale of informal settlement ➢ Well established and divers IS programmes ➢ Assessment and categorization of informal settlements by appropriate developmental response ➢ Interim basic services being delivered at scale o Led by infrastructure not housing department o Undertaken prior to land acquisition which enables rapid response ➢ Funding constraints especially w.r.t infrastructure top ups and interim basic services ➢ Long lead in time on upgrades due to land acquisition, development approvals, lack of relocations destinations etc
Umsunduzi	**13,514**	Yes	No	Yes		Yes		➢ Large numbers of informal settlers attracted by economic opportunities ➢ Scarcity of well located land for housing projects ➢ Settlements characterised by urban infill or peri-urban sprawl ➢ Number of informal households potentially under estimated (13514) 2008 DLA urban edge data (14865) informal

								and per-urban informal units ➢ Drafts informal Settlement Strategy suggests upgrading and relocation as last resort and promotes interim services
KwaDukuza	**4,862**	Yes	Yes	Yes		No		➢ Shack farming by private land owners resulting in significant informal settlement growth ➢ Municipality has strategy to upgrade settlements where possible
Abaqulusi	**5,510**	Yes	No	No		Yes (in process)		➢ Municipality not able to provide size and location of current informal settlements ➢ 2008 DLA urban edge data indicates 5510 informal units
Newcastle	**8,560**	Yes	Yes	Yes		No		➢ Comprehensive informal settlement strategy exists ➢ High number of planned units (17200) ➢ DLA data indicates (9632) informal units which supports high number of 8560 existing units identified in the strategy
Umdoni	**2,405**	Yes	Yes	No		Yes		➢ Municipality identified economic opportunities, high transport costs and improve schooling as drivers for informal settlements ➢ Municipality indicated that upgrading of informal settlements not possible due to floodline and terrain challenges ➢ Umzinto project identified with 2252 housing opportunities ➢ Three land parcels identified and are currently being acquired by the municipality for this project, (Two secured one in process)
Greater Kokstad	**1,743**	Yes	No	No		Yes		➢ Six informal settlements identified however exact position of these settlements is not clear ➢ Municipality plans to relocate the settlements

								to a project site which has recently been identified ➢ HSP indicates that significant urban-based housing delivery has already occurred in this municipality (6000)
Umngeni	**1,261**	Yes	Yes	No		Yes (in process)		➢ HSP Indicates that current informal settlements (1261) to be relocated to project site still to be identified
Richmond	**3,092**	No	No	No		Yes (in process)		➢ 3092 Informal units identified in 2008 DLA UE data in Indaleni ➢ Siyathuthuka P2 Project is rural project with potentially lower levels of service
Emnambithi /Ladysmith	**2,390**	No	No	No		Yes		➢ Municipality is currently unable to identify the size and location of existing informal settlements ➢ 2008 DLA UE data indicates only 842 informal units
Hibuscus Coast	**4,483**	Yes	No	No		No		➢ Four projects identified to provide 4242 housing opportunities ➢ Current status of this informal settlements programme is unclear ➢ Municipality not able to identify size and location of existing settlements ➢ Concentrated economic hub attracting informal settlement especially in Murchison area
Umhlathuze	**5,812**	Yes	Yes	Yes		No		➢ Informal settlers attracted through economic opportunity ➢ Shortage of well located land (Wetlands areas not suited to development) ➢ Two primary settlements identified for upgrade insufficient space available, complex situation
Jozini	**625**	No	Yes	Yes		Yes (in process)		➢ Informal settlement identified in Mkuze town HSP indicates 2 Inf projects (Mkuze and

								Ingwavuma) have been initiated ➢ land identified for both projects is Ingonyama Trust land ➢ Current status and approval of these projects is unknown
Mbonambi	**310**	No	Yes	Yes		Yes		➢ No significant informal settlements ➢ Slovas settlements currently catered for through Slovas Phase 2 project ➢ Potential issue around dense rural settlements along coastline
Ulundi	**3,613**	No	No	No		Yes		➢ Land invasion on unit M informal settlement upgrade project caused blockage ➢ 2008 Urban edge data indicates 3517 peri-urban informal units ➢ Urban sprawl seems to indicate dense rural settlements characterised by large plot sizes and not informal settlements
Mandeni	**3,561**	Yes	No	No		No		➢ Very broad assessment of informal settlements numbers from housing official and municipality ➢ Urban sprawl around Sundumbili currently being treated as rural with reduced services
Ndwedwe	**0**	No	Na	No		No		➢ Settlements predominantly rural in nature ➢ no informal settlements

5 Assessment of Grant Instruments

Informal settlement response	Potential Grants	Utilisation of grant	Source	Appropriate for Informal Settlement Responses?	Comments / assessment
Full upgrading	**UISP**	Services, land, top-structures	KZN DoHS / NDoHS**	**Yes**	UISP is effectively a sub-type / variation of a PLS. Most upgrades in KZN are currently being assigned as 'PLS'
	PLS		KZN DoHS	Yes (but UISP better)	See above
	PHP			Potentially	New PHP policy framework not yet finalized.
	IRDP			Yes (but UISP better)	Where full upgrading occurring as part of an IRDP project or there is a relocations site within an IRDP project then it be funded from the IRDP. Where it is incremental (e.g. interim basic services provision) then the UISP is more appropriate.
Interim basic services	**UISP**	Basic infrastructure	KZN DoHS / NDoHS	**Yes**	Additional flexibility required in order to remove land acquisition as a pre-requisite and to increase the value of funding available for 'phase 1'
	USDG*		NDoHS/ Treasury	**Yes**	This mechanism is expected to be operational from June 2011 and will have a critical role to play – yet only accredited Municipalities such as eThekwini will be able to access this grant which will be made available directly from Treasury in terms of 'DORA'
Emergency basic services	UISP	Basic infrastructure	KZN DoHS / NDoHS	Uncertain (KZN DoHS action required)	Additional flexibility required within the UISP in order to utilize it for emergency basic services given that they will not usually lead to a full upgrade
	USDG		NDoHS/ Treasury	**Yes**	This appears to be the only viable mechanism available – yet apparently will only be available to accredited municipalities
	MIG		CoGTA	No	Refer to comments for MIG under 'Release of serviced land' above
Relocations – to temporary transit facility	**Emerg-ency Housing**	Emergency / temporary housing & infrastructure (land uncertain)	KZN DoHS	**Yes**	Only to be utilized where a relocation is essential and there is no other option available (last resort). Clarity is required as to whether or not this instrument can be utilized to purchase land. Whilst the Housing indicates land acquisition as part of the Emergency Housing process, there is is currently no funding provision for it within the national subsidy 'formula'
Relocations – to green-fields	**PLS or IRDP**		KZN DoHS	**Yes**	A long lead in time is required for this – usually at least 2-3 years from the commencement of feasibility and preliminary planning.

project					
Land acquisition [6]	**All of the above DoHS subsidy mechanisms**	Land acquisition & planning	KZN DoHS / NDoHS	Uncertain (KZN DoHS action required)	The KZN DoHS currently do not release funding for land separately from full upgrading. Additional flexibility would need to be introduced for this to occur.
	SLAG		DRDLR	No (last resort)	DRDLR currently prioritizing rural development. DRDLR historically very slow to release funding for human settlements projects and have done so relatively infrequently. DRDLR heavily under-capacitated.
Release of serviced land**	**UISP**	Land & basic services	KZN DoHS / NDoHS	**Yes**	Additional flexibility required in terms of increasing the value of funding available for phase 1 of the UISP
	SLAG		DRDLR	No	See above comment for SLAG on 'Land acquisition'
	USDG	Basic infrastructure	NDoHS/ Treasury	**Yes**	Refer to comments on USDG under 'Interim basic services' above

Abbreviations: UISP=Upgrading of Informal Settlements Programme; USDG = Urban Settlements Development Grant; IRDP=Integrated Residential Suburbs Progarmme; PLS=Project Linked Subsidy; PHP=People's Housing Process; SLAG=Settlement Land Acquisition Grant; DRDLR=Department of Rural Development and Land Reform; MIG=Municipal Infrastructure Grant; DORA=Division of Revenue Act.

NOTES:

- ** USDG: According to the NUSP[7], from FY2011/12, the USDG will reportedly be funded from a 'top-sliced' 10% of the National Housing Development Grant (NHDG) and is specifically intended to address basic infrastructure within informal settlements. This is a new grant arising from deliberations at the City Budget Forum dating back to October 2010. This grant will apparently only be made available to accredited Metro's and other 'performing' municipalities and will be transferred in terms of DORA.*
- ***UISP: According to the NUSP[8], from FY2011/12, 20% of National Housing Development Grant (NHDG) will be top-sliced for informal settlement upgrading / UISP grant and will be made available directly to accredited Metro's and other performing municipalities in terms of DORA.*
- ****PHP: The new (draft) PHP policy has been a work in progress for several years and is potentially very relevant to people driven in-situ upgrading. The National PHP Directorate), working closely with a National PHP Reference Group, has been working on implementation guidelines since mid 2010. Refer also to section 5 (Policy Context) in section 1 (Introduction) of this Strategy.*

[6] This may be for a green-fields project, an in situ upgrade or for the release of serviced land
[7] Presentation to eThekwini Metro by the NUSP's Steve Topham on 27th January 2010.
[8] Presentation to eThekwini Metro by the NUSP's Steve Topham on 27th January 2010.

- *****Serviced land release: This is a not yet an operational programme of government, although its intention is manifest in the DRDLR's SLAG grant mechanism. There is also a national 'Land First' movement facilitated by Afesis Corplan which is actively promoting this as an necessary developmental response – refer to http://www.afesis.org.za/About-LANDfirst/ for more information.*

6 Budget Availability

The main purpose of this section is to assess in broad, indicative terms the likely budgetary implications should various housing and servicing strategies be pursued by the KZN DoHS. It identifies scenarios where budget constraints are likely to be severe and others which are more achieve-able. On a cautionary note, it should be remembered that budget is only one constraint to delivery and that a range of other factors are also essential. Its availability is however a necessary pre-requisite without which delivery is impossible. If carefully applied, it also has the potential to greatly assist in overcoming other challenges.

6.1 Key Issues and Determinants

- *Funding of emergency basic services*: Confirmation is required as to whether or not the KZN DoHS can fund emergency basic services (i.e. where a long term full upgrade is not necessarily possible) utilizing the UISP instrument. In the illustrative model which follows, it has been assumed that this will be possible.
- *Value of emergency basic services*: The average cost of emergency basic services has been assumed to be R7,500 per household. There is a tendency to significantly under-estimate the costs of all infrastructural services.
- *Value of interim basic services*: The value of phase 1 interim services for the UISP subsidy formula is too low to be useful in most circumstances. An average cost of R20,000 (based on eThekwini precedent) has therefore been assumed.
- *Source of land acquisition funding*: Land acquisition funding cannot be reliably provided by any other sources (specifically not by the DRDLR). It is thus necessary that this be funded by the KZN DoHS in the case of full upgrades and green-fields projects.
- *Annual KZN DoHS budget allocation*: The KZN DoHS will need to exercise care in terms of allocations on its MTEF including ensuring an appropriate split between rural and urban housing / informal settlement upgrading.
- *Budget allocation to rural housing:* A significant proportion of the KZN DoHS's MTEF budget allocations (averaging close to 40%) are allocated to rural housing. If this were to be reviewed, then this could liberate significant additional budget for informal settlement programme work.
- *USDG*: The size and disbursement mechanisms for the new Urban Settlement Development Grant (specifically designed for interim and emergency basic services for informal settlements) will be a key factor.
- *Municipal accreditation*: The target for the finalization of eThekwini's accreditation is reportedly early in 2011 where-after all housing and infrastructure budget will flow directly to the Municipality, including any potential top-sliced portions of the UISP.

6.2 Trends in KZN DoHS Budget Allocations

Historical and Projected KZN Programme Budget Allocations

(Units in R'000)

	Audited 2007/08	% of Total	**Audited 2008/09**	% of Total	**Estimated actual 2007/08**	% of Total	**MTEF 2010/11**	% of Total	**MTEF 2011/12**	% of Total	**MTEF 2012/13**	% of Total	**MTEF 2013/14**	% of Total	**MTEF 2014/15**	% of Total
Administration	48,878	4.06%	68,868	4.61%	63,151	2.86%	65,350	2.42%	69,839	2.22%	73,420	2.18%	84,433	2.18%	97,098	2.18%
Financial Interventions	94,942	7.88%	176,242	11.81%	373,017	16.92%	251,454	9.32%	198,500	6.32%	105,850	3.14%	121,727	3.14%	139,986	3.14%
Incremental Interventions	518,604	43.02%	782,744	52.44%	826,753	37.50%	1,007,140	37.31%	1,048,362	33.37%	1,367,419	40.62%	1,572,532	40.62%	1,808,411	40.62%
Social & rental Interventions	268,226	22.25%	143,024	9.58%	285,184	12.94%	355,531	13.17%	420,971	13.40%	413,046	12.27%	475,002	12.27%	546,253	12.27%
Rural Interventions	274,724	22.79%	321,683	21.55%	656,315	29.77%	1,019,842	37.78%	1,403,496	44.68%	1,406,314	41.78%	1,617,261	41.78%	1,859,850	41.78%
	1,205,374	100.00%	**1,492,561**	100.00%	**2,204,420**	100.00%	**2,699,317**	100.00%	**3,141,168**	100.00%	**3,366,049**	100.00%	**3,870,955**	100.00%	**4,451,598**	100.00%

6.3 Addressing Outcome 8 Targets

If conventional upgrading is utilized as the sole response, then, as the following analysis of the KZN DoHS's MTEF until 2013/15 indicates, there will be a significant budgetary shortfall in terms of meeting the target (an approximate shortfall of R1.5 billion). This does not factor in other insurmountable constraints to delivery within this time relating to the lack of readiness of sufficient projects and it being noted that it takes between 8 and 10 years from inception to completion for an average upgrade project[9].

Analysis of KZN DoHS MTEF Budget vs Outcome 8 Targets for Conventional / Full Upgrading

Budget item	MTEF Budget 2011/12 to 2014/15	% of total
Administration	324,790	2%
Financial Interventions	566,063	4%
Incremental Interventions	5,796,724	39%
Social & rental Interventions	1,855,272	13%
Rural Interventions	6,286,921	42%
Total	**14,829,770**	**100%**

Assumed % incremental interventions allocated to informal settlements	75%
Funding available for informal settlements in Outcome 8 timeframe until 2014	4,347,543
Hsg subsidy per hh based on 2010/11 formula (topstructure + infrastructure) - excl. other for land & infr. Top up	78
Outcome 8 target for KZN for full upgrades	76,200
Total budget required to meet outcome 8 target via full upgrading	5,933,542
Budget deficit (estimated)	**1,585,999**

NOTE:This excludes the following factors which could significantly increase the estimated deficit: a) inflationary effects & future subsidy increments; b) the intended 'top-slicing' of the NHDG which may result in downward adjustments on provinces MTEF's

If however a mix of informal development responses are utilized, then it is apparent from the illustrative budgetary modeling which follows that the KZN DoHS would probably have sufficient

[9] "Strategy For The Second Economy: Position Paper On Informal Settlements Upgrading". Misselhorn, 2008

budget to meet the target, assuming of course that other non-budgetary constraints such as capacity and political will are addressed.

6.4 Addressing the Entire Backlog

The budgetary implications of meeting the entire backlog are more serious given assuming that all interim services projects are eventually converted to full upgrades. Based on the illustrative model which follows, it would take approximately 18 years to eradicate the backlog assuming a mix of responses. Again, this does not factor in other constraints such as the actual time required to prepare, plan and implement upgrade projects. It does however indicate that, at least from a budgetary perspective, there are sufficient resources to address the backlog fairly rapidly. The major driver in reducing the overall cost implications is the assumption that a significant proportion of informal settlements will only receive emergency basic services but will not be relocated.

Illustrative Model for Addressing 2014 Outcome 8 Informal Settlement Targets Through a Mix of Developmental Responses

Assumptions / inputs:

Outcome 8 target by 2014	76,200
effective yrs remaining till 2014	4
cost topstructure per hh	55,706
cost land per hh	5,000
cost full services excl bulks	27,500
cost bulks	15,000
total per hh costs for full upgrading	103,206
average cost interim basic services per hh	20,000
average cost of emergency services per hh	7,500

	% of total	total units / hh	Per unit cost	Total budget requirement	% of total budget	DoHS budget required per hh	Total DoHS budget required	DoHS budget split	Bal.from ther sources per hh	Total other budget required
Full upgrading (imminent)	20%	15,240	103,206	1,572,859,440	55%	82,868	1,262,908,320	54%	20,338	309,951,120
Incremental: Interim services	35%	26,670	20,000	533,400,000	19%	15,000	400,050,000	17%	5,000	133,350,000
Incremental: full upgrading after int. serv.			0	0	0%	0	0	0%	0	0
Emergency services	35%	26,670	7,500	200,025,000	7%	7,500	200,025,000	8%	0	0
Relocations (transit/emergency)	5%	3,810	47,659	181,580,790	6%	47,659	181,580,790	8%	0	0
Relocations (greenfield)	5%	3,810	103,206	393,214,860	14%	82,868	315,727,080	13%	20,338	77,487,780
	100%	**76,200**		**2,881,080,090**	**100%**		**2,360,291,190**	**100%**		**520,788,900**

assumed available annual KZN delivery budget in net present value:	2,823,814,000
assumed % for PLS & UISP:	**50%**
equals total PLS & UISP budget:	1,411,907,000
% of of this for UISP / informal settlements:	**70%**
equals p/a budget available for informal settlements:	988,334,900
years required to provide required DoHS budget:	**2.4**
average per hh expenditure on informal settlements over period:	30,975

Illustrative Model for Eradicating Entire KZN Informal Settlement Backlog Through a Mix of Developmental Responses

Assumptions / inputs:

total KZN backlog	305,571
cost topstructure per hh	55,706
cost land per hh	5,000
cost full services excl bulks	27,500
cost bulks	15,000
total per hh costs for full upgrading	103,206
average cost interim basic services per hh	20,000
average cost of emergency services per hh	7,500

	% of total	total units / hh	Per unit cost	Total budget requirement	% of total budget	DoHS budget required per hh	Total DoHS budget required	DoHS budget split	Bal.from ther sources per hh	Total other budget required
Full upgrading (imminent)	10%	30,557	103,206	3,153,676,063	17%	82,868	2,532,205,763	16%	20,338	621,470,300
Incremental: Interim services	40%	122,228	20,000	2,444,568,000	13%	15,000	1,833,426,000	12%	5,000	611,142,000
Incremental: full upgrading after int. serv.			83,206	10,170,136,250	54%	67,868	8,295,397,051	53%	15,338	1,874,739,199
Emergency services	40%	122,228	7,500	916,713,000	5%	7,500	916,713,000	6%	0	0
Relocations (transit/emergency)	5%	15,279	47,659	728,160,414	4%	47,659	728,160,414	5%	0	0
Relocations (greenfield)	5%	15,279	103,206	1,576,838,031	8%	82,868	1,266,102,881	8%	20,338	310,735,150
	100%	**305,571**		**18,990,091,759**	**100%**		**15,572,005,110**	**100%**		**3,418,086,649**

assumed available annual KZN delivery budget in net present value:	2,823,814,000
assumed % for PLS & UISP:	**50%** ?
equals total PLS & UISP budget:	1,411,907,000
% of of this for UISP / informal settlements:	**70%**
equals p/a budget available for informal settlements:	988,334,900
years required to provide required DoHS budget:	**15.8**
average per hh expenditure on informal settlements over period:	50,960

7 Tenure

7.1 Overview of different forms of tenure

Whilst there are a range of potential tenure options and there has been much debate on the use of alternative forms of tenure, in reality the work-able options available for a municipality are somewhat limited. This is addressed in more detail in Part 3 'Strategy'. The following table however provides an overview of different tenure options and their potential relevance and usefulness to this Strategy:

Tenure 'Continuum': Relationship between Different Tenure Forms and the Developmental Responses / benefits they Could Enable:

Form of tenure	Characteristics	Benefits conferred & appropriate developmental responses	Commentary	Viable for KZN I.S. Strategy? Application?
1. **Municipal statement of recognition**[10] (e.g. Council resolution adopting certain settlements as being 'informal settlement development areas').	'Collective' (settlement level) & unregulated[11]	○ *Confers*: Functional security of tenure / freedom from fear of eviction ○ *Enables*: Basic / emergency infrastructure (e.g. water, sanitation, road access). Other basic services (e.g. solid waste collection, fire protection, primary health care, education, public transport). Livelihoods responses (e.g. food security, micro enterprise development, LED, job creation).	Enabling, cost effective and streamlined. Lays a good foundation for further tenure responses	**Yes**. Interim and emergency basic services
2. **Informal Settlement special zone**	'Collective' (settlement level) & unregulated	○ *Confers*: As for '1' (Functional security of tenure / freedom from fear of eviction) ○ *Enables*: As for '1'. In addition it would provide additional security for the municipality to acquire the land in question and provide full services (provided full upgrading for the settlement is on its short term plans).	Being piloted by City of Johannesburg. Adds an additional level of planning regularisation at additional effort and costs	No. But consider testing via pilot projects.
3. **Community administered register**[12]	Individual & informally	○ *Confers*: Some level of tenure security to residents PROVIDED the local administering structure is relatively	Has limited enforceability. Unlikely to be significantly	No. But consider testing via pilot

Increasing tenure security, difficulty, complexity & cost

[10] Such a statement would need to be informed by an assessment and categorization of informal settlements. It would need to communicate: a) that the municipality recognizes the settlements in question; b) that residents will not be relocated unless there is another housing solution provided; c) that the municipality commits to work together with the settlements in question regarding the provision of certain basic services.

[11] This means that the community has a right to remain in the settlement, and indeed may have the right to the provision of certain emergency services. However, no attempt is made to intervene or control at the individual tenure level, nor would such intervention be realistic or advisable at this stage.

[12] NOTES: 1) In this scenario, the state does not attempt to record, regulate or control individual tenure, nor does it regard this as being necessary or functional (e.g. due to the risks of disrupting or threatening local power bases). In the event that the Municipality feels that it needs to exert such control, then a municipal register would probably be a better means of achieving this .2) It may be an option for a municipality to recognize such a register where it and the local community structure has general community recognition (and perhaps also recognition by the ward councilor). It would however probably be unwise for the municipality to take the additional step of obtaining or utilizing the community's register because: a) this

(does not require an IS zone as a pre-requisite)	regulated	accountable and free from partisan influence o *Enables*: A community register may assist in various ways: o regulating uncontrolled additional influx into a settlement; o limiting increasing and problematic densification; o facilitating the allocation and re-allocation of sites. o enabling residents to get a letter from the municipality / ward councilor confirming their de-facto residence in the settlement, which can in turn assist in gaining access to employment, schools, and health care.	supported by Municipalities. Could however be a pre-cursor to a Municipal register.	projects where municipalities have interest.
4. **Municipal / state administered register** [13] *(does not require an IS zone as a pre-requisite – but municipalities may regard this as preferable)*	Individual & formally regulated	o *Confers*: A high level of tenure security to residents. o *Enables*: A municipal register may be considered in a sufficient form of tenure for the delivery of top-structures, in which case the provision of a certificate may be provided upon request / as and when the need arises. In this case the register is a pre-cursor / intermediate step to a locally administered tenure certificate.	Has significant potential in the long term as a more flexible, cost effective and appropriate alternative to title deeds.	No. But consider testing via pilot projects where municipalities have interest.
5. **Locally administered tenure certificate** (e.g. Municipal certificate of occupation / PTO / Deed of grant)[14]	Individual & formally regulated	o *Confers*: A very high level of tenure security to residents. o *Enables*: o *Top-structures:* If related DoHS policy issues can be addressed, this should be sufficient for the delivery of top-structures (although it is considered that a local register may also suffice). It is important that certificates can be generated quickly and accurately for residents as and when necessary). This naturally imposes an additional	Has significant potential in the long term as a more flexible, cost effective and appropriate alternative to title deeds.	**Yes**. But needs to be tested via pilot projects where municipalities have interest.

would expose the identities of residents, including illegal migrants or those involved in illegal activities, and therefore have the potential for generating conflict and fear; b) this may create the expectation of a higher level of government response (e.g. provision of a housing subsidy); c) this would tend to confer an unintended level of legitimacy or authority on the community register.. 4) In cases where no register exists it may be inadvisable for the municipality to initiate or facilitate a community administered register for a range of reasons.

[13] NOTES: 1) A key issue which the municipality needs to consider is whether or not it is functional, necessary or realistic to either: a) have a record of residents (e.g. a community register); b) go further and exercise regulation and control over individual tenure. This decision will no doubt be in large part determined by specific circumstances (both within a settlement as well as in respect of particular municipal dynamics and aspirations). 2) Locally administered" means that there is a local / area level person / office that is accessible to residents on a day-to-day basis. 3) Reasons for a municipality considering this form of individual tenure might include: a) situations where there are obvious and problematic abuses of people's functional tenure rights which cannot be tolerated; b) instances where the municipality needs to know more about individual residents (e.g. their immigrant status; whether or not they have received / are receiving other grants; gender and age profile etc); c) instances where the municipality considers it unacceptable or problematic to provide basic service delivery to non-citizens or illegal immigrants.

[14] Consideration could be given to the local tenure registration office charging a small handling fee for formalizing property transactions.

		administrative burden on the municipality. o *Transactions:* More streamlined and cost effective local property transactions. May help reduce informal transactions. o *Upgrade-able* to full title		
5. **Title deed**	Individual & formally regulated	o *Confers*: A very high level of tenure security to residents. o *Enables*: Residents to raise bond finance for consolidation / extension of top-structures. Property transactions via deeds office. o Residents want to use their house as collateral or security.	Poses major problems in low income communities & low income housing projects. Owners typically sell sites illegally - part due to the 5yr moratorium on selling an 'RDP' house but may also because a title deed is out of 'sync' with traditional property transactions which are un-documented but locally witnessed.	**Yes** – but only for full / conventional upgrading and until a more streamlined form of form tenure is in place

7.2 Problems with the utilization of title deeds

There is a high incidence of reversion to informal tenure once title deeds have been awarded to beneficiaries on low income housing projects. Whilst the statistics for this are not determined, this is a recognized problem by the KZN DoHS and municipalities alike. When beneficiaries sell their 'RDP' house, they typically do not transact through the deeds office, but rather sell informally. The main reasons for this are as follows:

- *Moratorium*: There is a DoHS moratorium on selling a government subsidized house within the first five years after it has been transferred to a beneficiary. This makes any transaction by a beneficiary within this time effectively an illegal transaction. Whilst well intended, this restriction effectively encumbers the property and reduces its market value in the hands of the beneficiary. It does not appear to achieve its objectives and instead promotes and encourages unintended outcomes including a devaluation of low income housing stock and informal property transactions.

- *Cost*: The system of formal title administered through the deeds office is relatively costly since it entails conveyencer and deeds office fees.

- *Tradition*: The system of formal title administered through the deeds office is a foreign concept to most beneficiaries and is out of sync with traditional property transactions which are not usually documented but are instead witnessed by local people.

As a result of this problem, there have been various suggestions in recent years relating to the use of various alternative forms of individual tenure (e.g. locally administered certificates of occupation). However, these have not been significantly tested in practice and are thus still regarded as still in an experimental phase. There is however undoubtedly a need to either dramatically streamline the existing form of tenure and make it more relevant to low income communities, or else come up with a viable and more streamlined alternative as quickly as possible.

7.3 Functional tenure for basic infrastructure

There is precedent for the utilization of collective, informal, functional tenure for the delivery of interim basic infrastructure in the form of eThekwini's interim services programme. eThekwini currently provides a range of interim basic services at a fairly high and costly level of service (refer to section 9 below as well as Annexure J1 to the Strategy) without making any individual, formal tenure intervention. Their basis for doing so is the Municipal Ordinance which empowers them to make interventions for health and safety reasons on land which they do not own. It is emphasized that they only do so for settlements which they have assessed as having medium to long term potential for upgrading and where they have an intention at some stage to proceed with land acquisition and full upgrading. Such settlements have an effective status of being recognized by the Municipality as being de-facto and it is clear to residents that the Municipality how has no intention of relocating the entire settlement (even if some residents may have to be relocated as part of an eventual full upgrade). In settlements not assessed as being viable for long term upgrading more basic emergency forms of infrastructure investment are made such as 'portaloos' and occasional standpipes on the periphery of the settlement. The level of recognition in these settlements is significantly less, although residents understand that they will not be subject to

arbitrary relocation without the Municipality having identified a temporary or permanent housing alternative.

8 Land Acquisition

Land acquisition is seldom a rapid or straightforward process. With the exception of land which is already owned by the Municipality or where there is a private owner willing to sell, the process may take anywhere between a year and four years. This includes cases where land is owned by other spheres of government or multiple private land-owners, where there are deceased estates, where expropriation is required, or where land is the subject of restitution. In addition, land acquisition is often very costly, especially where the land is question is well located and developable. Land acquisition is many projects is so complex that it is best regarded as a project in its own right and requires dedicated funding for the necessary professional land legal and facilitation work which is often necessary. Whilst in theory the DoHS and municipalities may look to the Department of Rural Development and Land Reform (DRDLF) to assist with land acquisition, in reality the DRDLR lacks the capacity to play this role and has a primary focus on rural instead of urban development.

9 Premier's Poverty Wards

The KwaZulu-Natal Premier's Flagship Project has identified the poorest wards in the province. Amongst the objectives of the program is improved access of rural households and communities to economic and social services.

However as this is mainly implemented in rural areas where most of these wards are located it has little or no relevance to the current strategy.

A list of the 20 poorest wards is attached in **Annexure S**.

10 Precedent, Case Studies and Key Research

10.1 of eThekwini's Housing Plan and Strategy

EThekwini Municipality's comprehensive plans for informal settlement and promoting densification provide valuable precedent and learning for the KZN DoHS and other Municipalities alike. More information on this, including some case study material is contained in **Annexure J.1**.

Some of the key areas of learning are listed below:

- Systematic categorization of projects according to the appropriate development response (i.e. full upgrading, interim services, relocations) based on comprehensive desktop GIS information relating to such parameters as settlement size, topography, bulk services access and geotechnical conditions.
- Interim basic services programme at scale, currently targeting over 77,000 households within over 160 informal settlements and including the provision of communal sanitation blocks, road access, standpipes, and electrification. A detailed case study profile of this significant programme is contained in **Annexure J1**.
- Provision of emergency basic services such as 'portaloos' and fire protection.

- Precinct level road master plans for 17 defined informal settlement precincts in order to promote greater spatial efficiency and more integrated urban planning.
- Area based social facilities planning in informal settlement precincts (currently under and way and targeting such facilities as fire protection, education, health care etc).
- Relocations of informal settlements is utilized as a measure of last resort.

10.2 Msunduzi's Housing Sector Plan

It is significant that this Plan has a major informal settlement upgrading focus and in particular that it promotes the categorisation of informal settlements and the delivery of a range of developmental responses in line with this Provincial Strategy:

- Category A: full upgrading
- Category B: interim and emergency basic services
- Category C: relocations.

It is also noteworthy that Msunduzi has a significant programme of upgrading instead of emphasizing relocations.

10.3 Summary of main lessons from past upgrade projects

Recent housing delivery initiatives from some of the major informal settlement upgrade projects, such as the N2 Gateway, Alexandria and Cosmos City projects has provided a wealth of information and lessons to inform the future delivery of housing opportunities in informal settlements.

Broadly speaking from these initiatives we can summarise the following main characteristics of informal settlements and lessons captured both from the project management professionals and research findings based on these upgrading projects.[15]

Informal settlements are characterised by **high-density settlement**, which often increase in density throughout the planning and implementation of the upgrade project. This high and increasing density result in the following main challenges to the upgrading of the informal settlement:

- Lack of available land for the provision of housing opportunities and services
- Additional requirements for relocation and the development of additional housing opportunities
- Social issues such as crime, illegal immigrants *(who do not qualify for housing subsidies),* shack farming etc. hamper service delivery
- Lack of suitable access for infrastructure maintenance and waste removal services
- Excessive populations as well as illegal connections lead to overloading of infrastructure services (I.e. Sanitation, Electricity, Water Supply etc.)
- planning based on initial socio-economic surveys is often outdated by the time that housing and infrastructure implementation is achieved

Many of these projects have suffered as a result of **poor planning at the project preparation stage** leading to increased costs and delays negatively impacting on the projects implementation.

[15] Ref to research DAG and auditor gen report N2 gateway

- Poor feasibility studies, such as geotechnical and land availability studies, result in a lack of technical provision for potential implementation challenges, delays and increased costs
- Roles and responsibilities of key stakeholders are not clearly defined, resulting in diverse project leadership structures and a lack of project management accountability.

Underestimation of the project's duration and the complexity of planning for and implementing upgrading projects

- Poor project management and/or political announcements underestimating both duration and costs for the provision of infrastructure and housing, leading to higher level of stakeholder dissatisfaction
- Increasing cost escalation leading to reduced affordability and ineffectiveness of initial rental agreements as estimates increase
- Informal settlement upgrading projects typically take between 8 and 10 years from commencement of feasibility and planning[16].

The following main suggestions have been coordinated from research into the implementation of these projects:[17]

- It is critical that innovative strategies are implemented to manage, where possible, settlement densities. (i.e. a protected area) to avoid further settlements using the community monitoring
- Carefully manage allocations policies and waiting lists to ensure no queue-jumping, political influence and fraud
- Contract professional project management and other professional expertise with a proven track record ,
- Implement effective project preparation to clarify project risks and plan for their impact on the project's implementation
- Ensure that there are clear leadership structures and roles and responsibilities that ensure accountability and transparency
- Special development zones of reduced standards to be accepted by the municipality in these development areas
- Innovative approaches to the provision of housing and infrastructure should be investigated to deal with the specific complexities of upgrading informal settlements

A useful document produced by the Development Action Group in 2005 (refer to Annexure N), identifies ten critical issues that need to be remembered when upgrading an informal settlement. They are:

- Informal settlement upgrading is about more than eradicating shacks
- Understand informal settlement communities
- Real community participation is essential
- Partnerships are important
- Community involvement
- Flexible land tenure arrangements must be put in place
- Upgrade *in situ* wherever possible
- Flexible standards for planning, land use, infrastructure and housing

[16] Reference Pay and Mann 2007
[17] Ref to research

- Mitigate against the negative impacts of commodification
- Informal settlement upgrading must always be part of an integrated housing strategy.

10.4 Newcastle 'Policy for the Management of Land Invasion and Informal Settlements' dd Sept 2007.

It should be noted that Newcastle Municipality has developed a set of progressive policies and strategies in 2007 relation to the informal settlements in their municipal area of jurisdiction,

- Policy for the Management of Land invasions and Informal Settlements
- Housing Allocation Policy
- Identification of Land for Subsidised housing Developments[18]

These strategies and policies are additional to the Housing Sector Plan that was developed and have contributed to this strategy document for the KZN province.

[18] Developed by Mr. Koos Louw from Africon

PART 3: STRATEGY

1. Overview of Strategy

The KZN Informal Settlement Upgrading Strategy is a developmentally focused strategy which seeks to bring about more rapid, equitable and broad based responses to the challenge of informal settlements in the province. This focus is strongly in line with the National Housing Code and current developmental priorities of government as recently reflected in the Outcome 8 National Development Agreement. Given the scale of the informal settlement challenge, its complexity and the limited human and financial resources available, the strategy seeks to be practical and achieveable.

It is now broadly recognized that responses to the challenge of informal settlement in KwaZulu Natal (and more generally in South Africa) need to be multi-pronged, broad based and inclusive of the urban poor. It is also recognized that such responses need to promote more integrated and sustainable human settlements, promote an efficient urban form and optimize scarce land. The scale of informal settlement in KwaZulu Natal coupled with hilly topography and challenging underlying land legal issues increases the challenge.

The Strategy therefore recognizes that a range of different responses are necessary and that there needs to be flexibility for Municipalities to address the specific challenges which vary from one settlement or municipality to another.

The multi-pronged Strategy promotes the following main developmental actions and responses (also referred to in this Strategy as 'modules') in respect of addressing the basic infrastructure and housing needs of informal settlements (refer also to the section 'Project Classification Guideline' which follows):

- RAPID UP-FRONT PRELIMINARY ASSESSMENTS AND CATEGORISATION of all informal settlements in order to obtain an adequate profile and to enable the determination of the appropriate developmental response(s).
- FULL UPGRADING (full services, top-structures and tenure) where appropriate, affordable and viable.
- INTERIM BASIC SERVICES for settlements viable and appropriate for long term full upgrading but where this is not imminent (a situation which often prevails).
- EMERGENCY BASIC SERVICES for settlements where long term upgrading is not viable or appropriate but relocation is not urgent or possible (a situation which also often prevails).
- RELOCATIONS as a last resort for settlements where this is an urgent priority.

The strategy recognizes that, whilst many of the necessary policy and grant instruments are already in place, there are instances where this is not the case and follow up work will be required by the DoHS in collaboration with other stakeholders in this regard. The main instances of this is in terms of putting in place a grant mechanism for the following activities or responses: a) emergency basic services; b) expediting interim or emergency basic services prior to the purchase of land.

It is also recognized that, whilst the Strategy is formulated and led by the KZN DoHS, it has implications that go beyond housing and the associated basic infrastructure (e.g. in terms of integrated settlement planning, public transport and the provision of key social services such as education and health care). The Strategy will thus help to lay the platform for investments by other government departments or by municipalities.

In the case of infrastructure provision, the required grant funding may be provided or co-funded by other sources such as via the new Urban Settlement Development Grant or from a Municipality's own funding (although it is noted that most Municipalities are not in a financial position to do so).

Whilst informed largely by extensive project-level experience throughout the province both in terms of full upgrading as well as the provision of interim / emergency basic services, the Strategy is also informed by a range of important policies and programmes which reflect and support the above flexible, incremental and multi-pronged approach. These include:

- The KZN Delivery Agreement for Outcome 8;
- The 'Upgrading of Informal Settlement Programme' contained in the National Housing Code and the associated 2009/10 subsidy formulas specifying DoHS budgetary allocations;
- The principles contained in Breaking New Ground, the national Comprehensive Plan for Sustainable Human Settlements (2004);
- KZN Elimination and Prevention of Re-emergence of Slums Act (2007)
- eThekwini's significant and well established informal settlement programme which includes: a) interim services for 166 informal settlements (over 74,000 households); b) densified full upgrading utilizing double story units and more pedestrianized layouts.
- The City of Johannesburg's programme for addressing informal settlements through incremental measures.
- The National Upgrading Support Programme.

2. Strategic Imperatives

The following have been identified as the main strategic imperatives for the Strategy. These are also regarded as the key performance criteria which the Strategy must meet in addressing the informal settlement challenge through the range of developmental responses which it promotes:

Performance criterion	Description
1. Scale and speed	Delivering certain fundamental / basic benefits to the urban poor at scale such that they provide tangible benefits to the bulk of the urban poor within a short period of time (e.g. basic infrastructure and basic social services within a maximum of 5 years).
2. Quality	Ensuring that what is provided is of an appropriate quality, not only in terms of infrastructural services, but even more importantly in terms of the delivery of the 'final' housing product (top-structure, full services and tenure) given the very high per unit costs of the latter investment.
3. Inclusion	Promoting greater of inclusion of the urban poor into cities.
4. Balance	Achieving a balance between and mix of so called 'breadth' responses (scale via such responses as interim or emergency basic services) and 'depth' responses (intensity via such responses as full upgrading including top-structure delivery).
5. Urban efficiency	Promoting more efficient urban forms and more sustainable cities through appropriate planning, integrated responses, the promotion of densification where appropriate and through optimizing the use of scarce available land.
6. Empowerment of the poor	Assisting the poor to 'climb out of poverty' (even if it is recognized that this is usually a slow process).
7. Value for money	Ensuring that limited state investment in housing and infrastructure is

	made on a rational and strategic basis in order to achieve maximum sustainable benefit relative to cost.
8. Flexibility	Ensuring that all spheres of government move away from a 'one size fits all' approach and that Municipalities have real and meaningful flexibility to address specific local circumstances and needs in an appropriate fashion (e.g. in respect of the level of interim services provided or the timing of land acquisition).
9. Integration	Ensuring that the Strategy lays the foundation for an integrated human settlement orientated response which: a) focuses not only on housing and associated basic infrastructure but also on social services such as education and health care, livelihoods interventions, public transport and local economic development; b) involves other Departments both in terms of participation as well as the availing of other sources of grant funding and other investment.
10. Participation	Ensuring that there is an appropriate process for the direct involvement of communities in the process of planning, prioritizing and implementing developmental responses and projects.

3. Key Principles and Issues

3.1. Definition of informal settlement

At the outset it is important to establish broad parameters and consensus in terms of what settlements are regarded as being 'informal settlements' for purpose of inclusion in this Strategy. In this regard, part 1, section 6 of the Strategy should be referred to. It is however emphasised that for purposes of this Strategy rural settlements have been excluded and that there may be some difficulty in deciding which peri-urban settlements qualify as 'informal settlement' and which qualify as 'rural settlements'. In the absence of any empirical definition (e.g. relating to settlement density), it is suggested that individual Municipalities take responsibility for making this distinction for themselves but that the KZN DoHS offer 'moderation' in this respect in order to facilitate some level of consistency throughout the province. This moderation would occur by means of the KZN DoHS's review of Municipalities' plans for addressing informal settlements which should be included in their HSP.

3.2. KZN DoHS mandate

The KZN DoHS, like its sister departments in other provinces and the National DoHS itself, has a challenging mandate. Whilst the grants it directly controls are limited mainly to housing and related basic infrastructure, it has a much broader 'human settlements' mandate in terms of which it is implicit that the KZN DoHS will play an instrumental, initiating and perhaps leading role in the development of human settlement more broadly but that Municipalities and other Departments will champion various of the other key human settlement elements such as education, health care, public transport, HIV AIDS relief, special needs and local economic development.

This Strategy therefore assumes that the main enabling role which the KZN DoHS plays in human settlements (beyond housing and infrastructure) will need to occur by means of:

- collaborative efforts with other Departments and in particular in obtaining their 'buyin' to this Strategy and other key programmes;

- ensuring that the front end preparation and planning work which is undertaken utilizing it's the funding it makes available is not confined only to housing and basic infrastructure (e.g. by the inclusion of basic integrated local spatial plans and urban design in town planning work; the inclusion of participative community planning in town planning and facilitation work; the inclusion of the identification of key / priority interventions that need to accompany infrastructure and housing investment in town planning and facilitation work).

3.3. Non housing responses

It is critical that informal settlement upgrading is not only focused on housing and related basic infrastructure (relating to water, sanitation, road access, and electricity). In order to enable more integrated and sustainable development other developmental issues need to be addressed and other sectors / spheres of government involved. Communities also need to be more fully involved in the developmental process to meet these ends (e.g. utilizing participative and livelihoods approaches). The role of effective community engagement and up-front assessment of a community in order to better understand the issues, needs, social capital, livelihoods and survival strategies of residents, and settlement formation– need to consider IS in context – ensure not.
KZN DoHS funding during the preparation and planning stages plays a pivotal role in enabling such involvement and participation through appropriate facilitation and planning activities (refer also to the toolkits and summary scopes of work contained in **Annexures G and H**).

Some of the critical responses over and above those relating to basic infrastructural services, housing and tenure are:

- basic non-infrastructural services (e.g. fire protection, solid waste removal);
- social facilities (e.g. education & health care);
- livelihoods issues (e.g. food security, HIV AIDS, income generating activities);
- job creation and local economic development.

4. Primary Housing and Infrastructure Responses

Whilst a range of developmental responses are necessary to address the challenges of informal settlement, the KZN DoHS's grants are confined mainly to preparation and planning, basic infrastructural services, top-structures and land and tenure. The responses outlined below are thus focused specifically within this grant funding mandate of the Department. For more information please also refer to Project Classification Guideline contained in section 5 which follow, **Annexure F** 'Flow Chart', **Annexure G** 'Summary Scopes of Work and Cost Norms' and **Annexure H** 'Detailed Toolkits'. It is emphasized that, in the delivery of all the following responses, care should be taken to enable integrated, multi-sector development which goes beyond housing and infrastructure (refer also to sections 12 and 13 below: 'Promoting Integration, Sustainability and Spatial Coherence' and Sector Alignment Guidelines).

4.1. RAPID UP-FRONT PRELIMINARY ASSESSMENTS AND CATEGORISATION

This is required for all informal settlements within every Municipality in the province (where this has not yet occurred or is incomplete) in order to obtain an adequate profile of settlements and to enable them to be categorized in terms of the appropriate developmental response(s). It is emphasized that, with the notable exception of eThekwini Municipality, most other municipalities do

not yet have this information and would therefore typically need to undertake this work as an urgent priority (refer also to **Annexure E**). It is important that this is not seen merely as an administrative process but as a critical developmental intervention, without which effective plans and strategies for informal settlement are impossible.

4.2. Planning and Delivery of INTERIM BASIC SERVICES

Interim basic services should be provided to those settlements located on sites which are viable and appropriate for long term full upgrading but where this is not imminent (e.g. due to budgetary, land, or bulk services constraints). This response has the potential to be delivered rapidly, provided it is de-linked from land acquisition and provided that collective tenure security via municipal recognition of settlements is utilized. It is expected that this response could be provided to a significant proportion of all settlements (in the region of 30%-40% of them) within the short term (i.e. within the next 5yrs) if the necessary grant pre-conditions were put in place and if it were pursued with vigor.

4.3. Planning and Delivery of EMERGENCY BASIC SERVICES

Emergency basic services should be provided to those settlements where long term upgrading is not viable or appropriate but where there also no pressing imperative for a relocation (i.e. absence of any imminent threat or risk due to such factors as flooding, slope instability or exposure to toxic waste) and no immediately available and suitably located relocations destination (e.g. available sites on an existing housing project with un-allocated sites). It is expected that this response could be provided to a significant proportion of all settlements (in the region of 30% to 40% of them) within the short term (i.e. within the next 5yrs) if the necessary grant pre-conditions were put in place and if it were pursued with vigor.

4.4. Planning and Delivery of a FULL UPGRADE

A full upgrade (i.e. full services, top-structures and tenure) should be provided to those settlements which have been prioritized for this high level of short term investment and where the other pre-conditions are already in place (e.g. available funding, land, bulk services etc). It is noted that the provision of permanent engineering services may be provided as an incremental first phase of full upgrading. Where there is a scarcity of suitable and available land (e.g. within eThekwini) then careful consideration should be given to maximizing housing densities, principally through the use of double-storey attached top-structures and partially pedestrianised town-planning layouts. Given the high costs and protracted timeframes associated with full upgrading it is expected that this will only be an appropriate response for a small proportion of all settlements (in the region of 10%) within the short term (i.e. within the next 5yrs).

4.5. RELOCATIONS

Relocation should be seen as a last resort for those settlements not only un-viable for long term upgrading but ALSO where there is also a *pressing imperative for relocation* (i.e. imminent threat or risk due to such factors as flooding, slope instability or exposure to toxic waste) as well as an available relocations destination (either an emergency transit facility or an existing housing project with un-allocated sites). Given the difficulties associated with relocations and the protracted timeframes associated with the development of green-fields housing projects, it is expected that

that this response will only only be an appropriate response for a small proportion of all settlements (in the region of 5% to 10%) within the short term (i.e. within the next 5yrs). It is emphasized that, whilst the relocations destination may offer better access to basic services and shelter, it may also bring about unintended negative impacts on relocatees, usually resulting from the change in locality and unintended consequential impacts on their livelihoods and survival strategies (e.g. in terms of access to employment, informal income generating activities, jobs, and schools or else disruption of existing social networks).

4.6. LAND IDENTIFICATION AND ACQUISITION

This needs to focus on both land which is already settled as well as potential green-fields sites. It must be remembered that the process of land acquisition is an inherently slow process (usually taking anywhere between a years and four years) and that Municipalities therefore need to plan ahead accordingly. The following are suggested as the main categories of land which a Municipality may target for acquisition. These would also constitute the main reasons for a municipality wanting to plan for acquire land:

- *Relocations destinations for full housing delivery* (full services, topstructures and tenure).
- *Relocations destinations for transit camps*
- *Strategic acquisitions to 'get ahead of the housing problem':* I.e. 'banking' land for future projects such as the development of new suburbs or residential precincts in areas of current of projected urban expansion.
- *Serviced land release:* Acquiring land (either settled or green-fields) with the intention of doing basic planning, installing interim basic infrastructural services and making it available to residents of informal settlements or new arrivals in the city/town.

4.7. SERVICED LAND RELEASE

Whilst this is not yet a mainstream / operational programme of government, this is expected to be a response which will receive increasing attention in the years to come. It is already implicit in the provision of interim basic services and its intention is clearly manifest in the DRDLR's SLAG grant mechanism. It is usually assumed that some form of functional tenure will accompany this response. There is also a national 'Land First' movement facilitated by Afesis Corplan which is actively promoting this as an necessary developmental response (refer to http://www.afesis.org.za/About-LANDfirst/ for more information).

5. Project Classification Guideline

This section should be read in conjunction with the Flow Chart contained in **Annexure F** It is emphasized that effective categorization and the selection of an appropriate developmental response can only occur once adequate up-front preliminary assessment work has been completed in order to obtain an adequate profile of the settlement and site in question. It is noted that, in some instances, follow up technical feasibility work may expose a previously unforeseen obstacle (e.g. unstable geo-tech) at which time a re-classification of such a settlement may be necessary.

	Category	**Criteria**	**Developmental Response**	**Tenure**	
A	Imminent full upgrade	➢ *Site viable and appropriate* for long term upgrading (land, bulk services, topography, environmental, geo-tech etc. all in place). ➢ *Project is implementation-ready* (land secured or imminent, town planning approvals / township establishment secured or imminent, all project funding secured)	Full upgrading including delivery of full infrastructural services, top-structures and tenure (including formal township establishment). Where land is scarce, promote densification. It is critical to ensure that there is integrated local spatial planning and action to enable access to key social services such as education and health care.	Individual & formal (either a title deed or locally administered alternative which is up-grade-able to full title)	*DEPTH RESPONSE:* (approx. 10% of total medium term delivery by hh[19])
B1	Interim basic services (eventual full upgrade when resources and timing permit)	➢ *Site viable and appropriate* for long term upgrading (land, bulk services, topography, environmental, geo-tech all 'Ok'). *BUT:* ➢ *Project NOT implementation ready* (i.e. cannot be expedited in the next year or two e.g. due to lack of available funding, land not yet secured, bulk services not yet in place).	Interim basic engineering services appropriate to the basic needs of the settlement and conforming with long term upgrading plans / layout to avoid wasted expenditure where possible (e.g. standpipes, communal sanitation or on site sanitation, basic road access or footpaths). It is critical that this goes hand in hand with other critical service interventions such as: fire protection, solid waste removal, access to basic health and education services etc.	Collective, informal & functional (via Municipal classification & recognition)	*BREADTH RESPONSE:* (approx. 40% of total medium term delivery by hh)
B2	Emergency basic services (eventual relocation when time and resources permit)	➢ *Site NOT viable and appropriate* for long term upgrading *BUT:* ➢ *NO urgent need for relocation* (e.g. material and immediate threat to	Emergency basic engineering services appropriate to the basic needs of the settlement but typically to a lower level than for B1 and not needing to conform with long term upgrade layout (e.g. standpipes, on-site sanitation or 'portaloos').	Collective & functional (via Municipal classification & recognition) –	*BREADTH RESPONSE:* (approx. 40% of total medium term

[19] These indicative percentages are based on two main factors: A) The KZN DoHS current MTEF hh allocation estimates which for 'PLS' averages at approx. 15,000 per annum from 2011 until 2014. This means that over the short term a maximum of 20% of the 306,000 informal settlement backlog could be addressed yet this figure would fall due to allocations to other PLS projects, a lack of projects ready for immediate implementation, and the need to allocate some funding to interim / emergency basic services. B) Achieving a good 'strategic' mix of investment..

		safety through flooding, slope instability, toxic waste exposure etc).	It is critical that this goes hand in hand with other critical service interventions such as: fire protection, solid waste removal, access to basic health and education services etc.	However - residents	delivery by hh)
C	Imminent relocation	➢ *Site NOT viable and appropriate* for long term upgrading *AND:* ➢ *Urgent need for relocation* (e.g. material and immediate threat to safety through flooding, slope instability, toxic waste exposure etc). ➢ *Relocations destination available* (either in situ upgrade or green-fields project with unallocated sites OR site for emergency transit camp and emergency funding available from KZN DoHS)	No action on the site in question. Participative and consultative process required with residents including site visits to potential relocations destinations. Where the relocations destination is a temporary transit facility then a site feasibility conducted, emergency KZN DoHS funding secured. Temporary transit facilities should only be utilized where this is unavoidable as they often pose major challenges to relocates and tend to become permanent or semi-permanent.	Not applicable – If relocations destination a housing project then as for category A; if a transit camp then or functional tenure only.	*DEPTH RESPONSE:* (approx. 10% of total medium term delivery by hh)

Factors affecting the selection of developmental responses:

The decisions that municipalities take in selecting which course of action to take in addressing the challenge posed by a particular settlement will be informed by a number of factors including:

- the availability of *budget* for housing, land and infrastructure and how soon such budget will become availability[20];
- the *locational suitability* of the settlement (e.g. access to public transport, social factilities, employment etc);
- the *developability of the site* (e.g. slope, land availability, bulk service availability, geotechnical and environmental constraints etc);
- the *level of need* (poverty and relative deprivation) within the settlement.

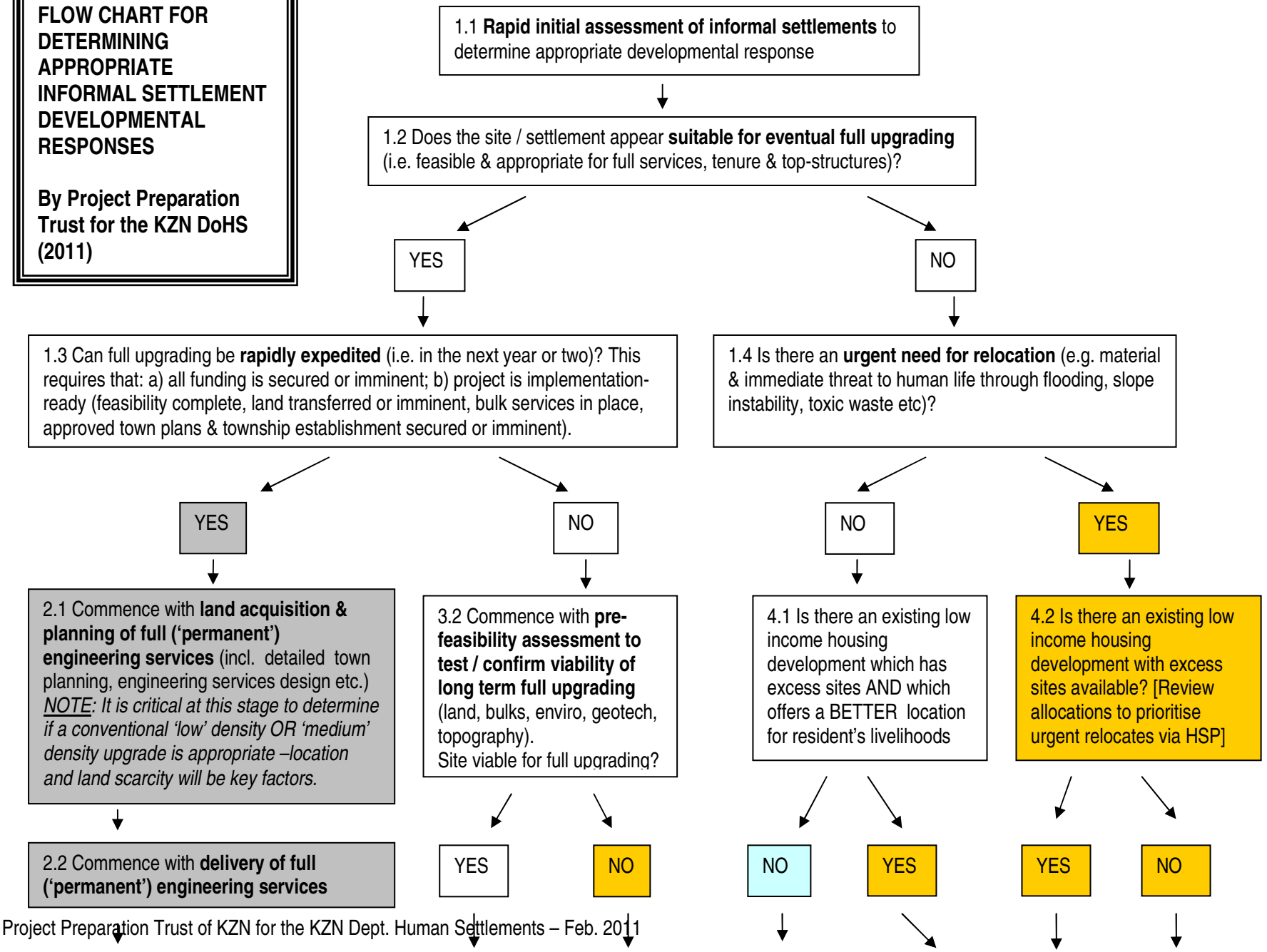
6. Flow Chart

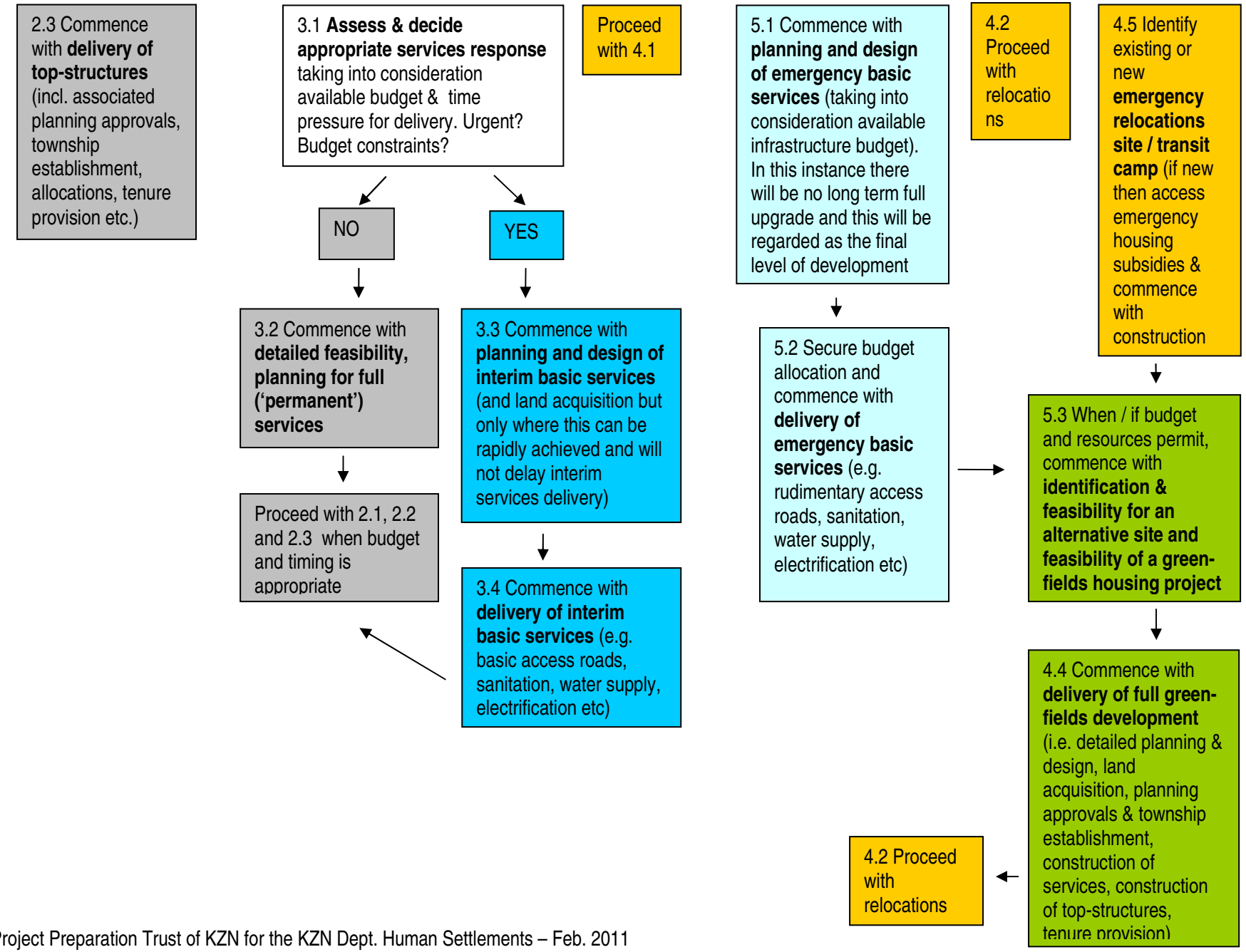
(see following page)

[20] It is noted that there is a tendency for budget to become available more slowly than municipalities often anticipate (e.g. due to delays in processing subsidy applications, unresolved project issues; delays in signing agreements, a lack of provincial housing budget). Delays may also result from non-funding factors (e.g. delays with bulk service or land availability). There may therefore be full upgrades which cannot commence for several years and which should consequently be categorized for interim services in the mean time, even though they may appear on a municipality's short term upgrade plans.

FLOW CHART FOR DETERMINING APPROPRIATE INFORMAL SETTLEMENT DEVELOPMENTAL RESPONSES

By Project Preparation Trust for the KZN DoHS (2011)




2.3 Commence with **delivery of top-structures** (incl. associated planning approvals, township establishment, allocations, tenure provision etc.)
3.1 **Assess & decide appropriate services response** taking into consideration available budget & time pressure for delivery. Urgent? Budget constraints?
Proceed with 4.1
NO
YES
3.2 Commence with **detailed feasibility, planning for full ('permanent') services**
3.3 Commence with **planning and design of interim basic services** (and land acquisition but only where this can be rapidly achieved and will not delay interim services delivery)
Proceed with 2.1, 2.2 and 2.3 when budget and timing is appropriate
3.4 Commence with **delivery of interim basic services** (e.g. basic access roads, sanitation, water supply, electrification etc)
5.1 Commence with **planning and design of emergency basic services** (taking into consideration available infrastructure budget). In this instance there will be no long term full upgrade and this will be regarded as the final level of development
4.2 Proceed with relocations
4.5 Identify existing or new **emergency relocations site / transit camp** (if new then access emergency housing subsidies & commence with construction
5.2 Secure budget allocation and commence with **delivery of emergency basic services** (e.g. rudimentary access roads, sanitation, water supply, electrification etc)
5.3 When / if budget and resources permit, commence with **identification & feasibility for an alternative site and feasibility of a green-fields housing project**
4.4 Commence with **delivery of full green-fields development** (i.e. detailed planning & design, land acquisition, planning approvals & township establishment, construction of services, construction of top-structures, tenure provision)
4.2 Proceed with relocations

FULL UPGRADING & PERMANENT ENGINEERING SERVICES	INTERIM BASIC SERVICES	EMERGENCY BASIC SERVICES	RELOCATIONS & GREENFIELDS PROJECTS
APPROX. 10% OF DELIVERY RESPONSE BY HH	APPROX. 30% OF DELIVERY RESPONSE BY HH	APRPOX. 50% OF DELIVERY RESPONSE BY HH	APPROX. 10% OF DELIVERY RESPONSE BY HH
APPROX. 30% OF DELIVERY RESPONSE BY BUDGET	APPROX 30% OF DELIVERY RESPONSE BY BUDGET	APPROX 30% OF DELIVERY RESPONSE BY BUDGET	APPROX 10% OF DELIVERY RESPONSE BY BUDGET
DEPTH RESPONSE (QUALITATIVE & COSTLY)	BREADTH RESPONSE WHICH LAYS PLATFORM FOR LATER DEPTH RESPONSE	BREADTH RESPONSE	DEPTH RESPONSE

7. Provincial Strategic Priorities

Approximately 97% of the informal settlement population of KZN (296,507 households) is located within the following15 municipalities and it is therefore appropriate that these municipalities receive a high priority in terms of the KZN DoHS's strategies and plans to address informal settlement. It is noted that 95% of the population is located within just 11 of these municipalities and 78.2% is located within eThekwini alone. It is also noted that all of these 15 municipalities were amongst the 17 municipalities identified during stage 1 of the strategy, but that two are no longer regarded as high priorities (Ndwedwe and Mbonambi) due to them having very low or no informal settlement population[21].

LOCAL AUTHORITY / MUNICIPALITY	Revised Provincial Backlog Estimate	% of Total Backlog	Cumulat-ive % of Backlog	Number of Inf. Settle-ments
Durban: Ethekwini Municipality	239,436	78.2%	78%	494
KZ225: Msunduzi	13,514	4.4%	83%	67
KZ252: Newcastle	8,560	2.8%	85%	10
KZ282: uMhlathuze	5,812	1.9%	87%	4
KZ263: Abaqulusi (Vryheid)	5,510	1.8%	89%	8
KZ292: KwaDukuza	4,862	1.6%	91%	6
KZ216: Hibiscus Coast	4,483	1.5%	92%	4
KZ291: Mandeni(Ndondakasuka)	3,561	1.2%	93%	8
KZ212: Umdoni	2,405	0.8%	94%	10
KZ232: Emnambithi/Ladysmith	2,390	0.8%	95%	4
KZ5a4: Greater Kokstad	1,743	0.6%	95%	8
KZ222: uMngeni	1,261	0.4%	96%	6
KZ266: Ulundi	1,254	0.4%	96%	1
KZ227: Richmond	966	0.3%	97%	3
KZ272: Jozini	750	0.2%	97%	2
	296,507	**96.9%**		**635**

A critical strategic issue for the successful achievement of this Strategy is that of maintaining and developing a productive working relationship between the KZN DOHS and eThekwini Municipality given the scale of its informal settlement, its well established informal settlement programmes, their need for significant project finance and their ability to contribute massively towards if not entirely meet the Outcome 8 targets.

A detailed schedule containing these 15 priority municipalities as well as the revised informal settlement backlog, number of settlement and preliminary categorization for appropriate developmental response is contained in **Annexure E**.

[21] Mbonambi has a reduced number informal settlements due to the current Slovas Phase one project and Ndwedwe which is predominantly rural in nature with no identified informal settlements

It is noteworthy that those Municipalities which have the largest number of informal settlements such as eThekwini, Msunduzi Newcastle, KwaDukuza and uMhlathuze have developed comprehensive informal settlement strategies. It is however critical that the department provides support to these municipalities in implementing their strategies.

There are important strategic implications arising from eThekwini's informal settlement plans and in particular relating to:

- The planning and rollout of interim basic services at scale and this being done prior to and independently of land acquisition;
- The assessment and categorization of all settlements within the Municipality according to their appropriate developmental response.

There is also an important strategic implication arising from Msunduzi's informal settlement strategy in that they promote a classification of informal settlement which is identical to the classification arising from this Strategy (i.e. imminent full upgrading, interim services, interim basic services and imminent relocations).

Given that Msuduzi's strategy is new and not yet under implementation, It is suggested that Msunduzi works closely with officials from eThekwini when implementing their strategy to ensure that lessons do not have to be re-learnt.

Where sufficient base information on informal settlements does not exist (e.g. Abaqluusi and Emnambithi/Ladysmith) it is critical that the municipality implements a rapid assessment of their existing settlements in order to profile settlements, quantify the scale of informal settlement and to decide on the appropriate developmental response.

8. Strategic Priorities by Municipality

Municipality	Backlog	Strategic Priorities / Key actions
eThekwini	239,436	➢ Address funding constraints especially w.r.t infrastructure top-ups, land acquisition, and interim basic services. ➢ Extract and disseminate learning from eThekwin programmes to other Municipalities still learning about diverse informal settlement responses. ➢ Use eThekwini as working model for provision of interim basic services (i.e. delivered rapidly and prior to land acquisition). ➢ KZN DoHS play supportive role and capitalise on eThekwini's ability to contribute massively to addressing (if not entirely meeting) provincial human settlements Delivery Agreement targets (arising from Outcome 8) if an enabling funding environment is created.
Msunduzi	13,514	➢ Rapid assessment of existing settlements required ➢ Additional greenfield projects to be identified to cater for relocation from existing settlements ➢ Certification of urban sprawl as rural in some areas to be reassessed (Vulindela)
Newcastle	8,560	➢ Support housing official in complex upgrading process ➢ Confirm high number of planned units
uMhlathuze	5,812	➢ Proceed with upgrade projects, Dube and Khoza ➢ Provide support to municipal housing official in complex upgrade program ➢ Additional land to be identified for relocation from existing projects
Abaqulusi	5,510	➢ Rapid assessment of informal settlements required
KwaDukuza	4,862	➢ Further assessment of existing sites for upgrade required ➢ Provide support to Muni in complex upgrading process
Hibuscus Coast	4,483	➢ Rapid assessments of existing settlements required ➢ Rural /Urban sprawl around Bhoboyi indicated in DLA data to be investigated further
Mandeni	3,561	➢ DoHS to provide support to enable rapid assessment of informal settlements ➢ Classification of Sundumbili project as a rural to be re-assessed ➢ Urban edge data indicates 7611 informal units in the area
uMdoni	2,405	➢ DoHS to provide support to housing official ➢ DoHS to prioritise and fast track related informal settlement projects ➢ Clarify the numbers from some informal settlements i.e. Sanathan (776) which seem to be over estimated ➢ Rural per-urban sprawl around Umzinto to be assessed further, DLA data (340)
eMnambithi/Ladysmith	2,390	➢ Rapid assessment of Ladysmith informal settlements is required

		➢ The district to prioritise bulk services to current projects blocked due to a lack of bulk water or other bulk services
Greater Kokstad	1,743	➢ Housing official to confirm current classifications ➢ Further investigation may be required to clarify the potential upgrading of existing settlements ➢ Possibility of interim services to existing settlements to be investigated
uMngeni	1,261	➢ Potential for in situ upgrading or informal settlements to be further assessed i.e. Shiyasi, Lutchmans and Indwedwe ➢ Urban sprawl in Rietvlei/Mpophomeni to be assessed further
Ulundi	1,254	➢ Rapid assessment of existing settlements in Ulundi town required ➢ Classification of urban sprawl in Urban edge data to be clarified ➢ Commence with land identification and securing process outlined in a HSP
Richmond	966	➢ Rapid assessment of Indaleni settlement required ➢ Siyathuthuka P2 Project rural nature and level of service to be assessed further
Jozini	750	➢ Identification of land for upgrade projects Ingonyama Trust land therefore level of service to be clarified
Mbonambi	310	➢ Rapid assessment of dense coastal rule settlement required
Ndwedwe	0	➢ No action (no informal settlement population – only dense rural settlements)
Total	**296,817**	

9. Plan of Action for the KZN DoHS

The plan of action for the KZN DoHS is in large part addressed through the Logframe contained in **Annexure I**) which outlines in some detail the main objectives and associated activities / outcomes and indicators necessary for the KZN DoHS to successfully implement this Strategy. The Overall Goal / Vision and main Indicators / Objectives copied below:

Overall Goal / Vision:
Living conditions within informal settlements in KZN are significantly improved (resulting from access to basic infrastructural services, secure tenure, improved shelter, and other social services) **and Municipalities include them more fully in their planning and servicing**

Indicators (Objectives):
1. **The scale of delivery is significantly accelerated** through a range of appropriate informal settlement development responses (including access to basic infrastructural services, secure tenure, improved shelter, and other social services).
2. **More effective plans are put in place** at both provincial and municipal level in order to more effectively address informal settlement upgrading.
3. KZN DoHS programmes and grant instruments are remodelled and / or refined in order to **provide streamlined access to the necessary grant funding** for both the planning and implementation of informal settlement upgrading projects.
4. **Intra-governmental co-operation** is improved to enable better integrated service delivery.
5. **Capacity within the sector is strengthened** in order to enable effective delivery (i.e. within government, private sector and NGO's).
6. **Performance and delivery are effectively monitored and evaluated** in order to enable ongoing improvements to planning and delivery.
7. **More effective community participation and involvement** occurs.
8. **Suitable land is identified and made available** to for informal settlement residents

It is also important to refer to the Flow Chart (**Annexure F**) for the process to be followed by Municipalities in determining the appropriate developmental response for their informal settlements.

However, notwithstanding the contents of the Logframe and the Flow Chart, the following are highlighted as some of the most important actions required by the KZN DoHS, in collaboration with Municipalities, and other stakeholders in realizing this Strategy:

- Expedite rapid preliminary assessment and categorization in all municipalities, the following being the Municipalities where it is most needed: Umsunduzi, Abaqalusi, Hibiscus Coast, Mandeni, Emnambithi, Greater Kokstad, Umngeni, Ulundi, Ridhmond and Mbonambi. It is critical that this intervention occurs rapidly and the KZN DoHS consider funding and procuring this directly for municipalities where insufficient municipal capacity is available in order to expedite a rapid outcome. Without this information, effective planning for informal settlements will not be possible and delivery will be delayed.

- Include other key sector Departments in the rapid assessment /planning phase.

- Rapid communication and awareness programme on new approach:

- focus on both municipalities and other key departments;
- ensure stakeholders understand the 'change of mode' away from a primary focus on delivering top structures;
- ensure understanding that the primary 'pillar' of the strategy is interim and emergency basic services and that secure tenure is achieved primarily via municipal 'recognition' based on assessment and categorization;
- communicate need for a holistic and integrated response to informal settlement development challenges (including focus on health, education, social welfare, food security, HIV AIDS, job creation, small enterprise, economic development etc).

- Rapidly develop a realistic provincial Informal Settlement rollout plan:
  - Obtain feedback from municipalities in the form of revised priority lists of projects within the four main responses categories along with budgets, cash-flows and timetables (schedule for delivery) (utilize Strategy toolkits);
  - Link to KZN DoHS Budgets and MTEF;
  - Factor in USDG grant contribution;
  - Ensure partnership with major eThekwini and Msunduzi municipalities.

- Rapidly activate UISP grants in KZN:
  - remove land acquisition as a pre-requisite for interim services delivery[22];
  - increase flexibility on ph1 budget (increase it);
  - ensure no beneficiary registration at interim services stage;
  - maintain USIP flexibility w.r.t grant eligibility (i.e. all residing in informal settlement irrespective of SA citizenship, age etc);
  - assess potential to include provision for emergency basic services;
  - determine how 'top-sliced' UISP funding will flow to Metros and what UISP budget will remain for provinces / KZN.

- Find a solution to lack funding for emergency basic services[23]:
  - Vigorously pursue flexibility within the UISP for this;
  - Alternatively pursue accessibility to some USDG grant funding for municipalities not able to access it directly.

- Ensure a flexible and realistic definition for 'secure tenure': Specifically ensure that functional tenure in the form of municipal recognition is sufficient and that individual tenure in the form of a certificate or title deed is not essential. If such flexibility is not in place, then rapid delivery of interim services at scale will not be achieve-able[24].

[22]This is critical in order to achieve delivery at scale since this will be achieved mainly via the delivery of interim or emergency basic services, whilst the process for land acquisition is an inherently slow one typically taking between a years and four years. The UISP subsidy formula currently suggests land acquisition curing phase 1 which is problematic.

[23] Currently it is uncertain if the UISP can fund this – if not then only the USDG grant remains and this may only be accessible to eThekwini and perhaps to other high capacity municipalities YET some of the highest need informal settlements are in category 'B1' (not suitable for long term full upgrading but relocations not imminent or critical)

[24] Municipal recognition could take the form of an approved municipal project schedule recognizing specific settlements either as suitable for eventual upgrading and thus eligible for interim services or else not targeted for rapid relocations and thus eligible for emergency basic services. The provision of any form of individual tenure (e.g. the registration of beneficiaries, the compilation of a data-base of beneficiaries, or the provision of certificates of occupation) is regarded as unnecessary, onerous and obstructive to rapid delivery.

- Increase funding availability for land identification, acquisition and related work – don't rely on DRDLR[25]:
    - Release a slice of UISP funding independently from services and top-structure provision, based on well motivated municipal proposals, to municipalities to undertake this critical work;
    - Alternatively utilized another KZN DoHS funding stream for this work.D
    - Alternatively assess potential to obtain a new grant stream from Treasury, NDoHS.

- Investigate potential for and pilot serviced land release[26] as a further form of incremental development:

- Ensure inclusive beneficiary eligibility (qualification) for incremental interventions: It is critical that usual housing eligibility criteria are not applied to interim and emergency basic services (as per UISP policy prescripts) not only to streamline processes but to reduce risk[27].

- Review budget allocations to rural housing:
    - Set and maintain clear budget allocation targets for informal settlement;
    - Ensure that informal settlement projects are indeed true urban informal settlement projects (and not rural projects such as the major Vulindlela initiative in Msunduzi);
    - Where full upgrading (high investment) is done, ensure that the localities are good and support long term urban restructuring and efficient planning (vs urban sprawl).

- Promote densification where land is scarce and full upgrading is undertaken (i.e. through double story top-structures and pedestrianised layouts) (refer to section 14 below).

- Promote more effective community participation (refer to section 17 below).

- Re-assess high budget allocations to rural housing: This is within the context of the high priority now afforded to informal settlements and concerns over the sustainability of the rural housing programme and the high budgetary allocations to it[28].

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[25] DRDLR funding for a range of reasons is very slow and difficult to access and the DRDLR now has a primarily rural focus. Without Currently it is uncertain if the UISP can fund this – if not then only the USDG grant remains and this may only be accessible to eThekwini and perhaps to other high capacity municipalities YET some of the highest need informal settlements are in category 'B1' (not suitable for long term full upgrading but relocations not imminent or critical).

[26] I.e. the release of land with basic services and planning, whether in situ (already settled) or greenfields.

[27] The UISP makes it clear that 'all the inhabitants of an informal settlement…including persons currently excluded from the benefits of the Housing Subsidy Scheme' are eligible for assistance. This means that the usual eligibility criteria need not be applied at the stages of delivering interim or permanent engineering services, although they would become applicable at the stage of delivering top-structures and tenure. Beneficiary registration is thus not appropriate or helpful during the stage of delivering interim basic services as it is likely to create tensions and project risk (e.g. due to illegal immigrants or child headed households). It will also tend to significantly increasing expectations for the delivery of completed housing which will usually only be possible in several years to come.

[28] According to KZN DoHS MTEF budget, the allocation to rural housing averages close to 40% of the total budget available for housing programmes. Concerns over the sustainability and appropriateness of mass rural housing have been raised in many quarters, including within the provincial planning department and within the KZN DoHS itself. Rural housing within South Africa in general has become increasingly utilized in large part because if constitutes a far easier mechanism for achieving topstructure delivery than urban and peri-urban housing since it does not require conventional planning approvals, township establishment or significant infrastructure investment. In the light of the Outcome 8 targets and other strategic imperatives, it is suggested that the MTEF allocations be reviewed in order to re-allocate some of the rural allocations to informal settlements.

- Include in KZN DoHS strategies the outcomes of grants flowing directly to Municipalities: Significant USDG and UISP funding is likely to flow directly to eThekwini and perhaps other performing municipalities from national government. It is therefore critical that the KZN DoHS include within its provincial strategies and plans the expected outcomes which will flow from such funding streams. This is important not only to enable the ambitious Outcome 8 targets to be reported and achieved by the KZN DoHS but also because the KZN DoHS has an important role to play in supporting and enabling the flow of such funding[29].

10. Appropriate Grant Instruments

Please refer to section 4 of Part 2 'Situational Analysis'. In terms of this assessment, the following have emerged as being the main grant instruments which are relevant and useful in providing infrastructure, tenure and housing for informal settlements and in implementing this Strategy:

	Type of grant	Developmental Application	Comments
Grants which are critical	Upgrading of Informal Settlements Programme (**UISP**) grant[30]	➢ Interim basic services ➢ Land acquisition ➢ Permanent services ➢ Potentially also for Emergency basic services	Clarity required on provision of interim basic services prior to land acquisition, increasing value for ph1 and eligibility of emergency basic services
	Urban Settlements Development Grant (**USDG**) [31]	➢ Interim basic services ➢ Emergency basic services	Clarity required on whether this grant will in fact be operational by 01 March 2010
	Project Linked Subsidy (**PLS**) grant	➢ Top-structures	No comment
	Emergency Housing grant	➢ Emergency housing and basic infrastructure	Essential in the case of providing temporary transit / relocation facilities
Grants which are potentially relevant	New People's Housing Process grant	➢ Top-structures and associated PHP social, planning and capacitation processes	Policy not yet activated due to implementation guidelines not yet being completed
	Integrated Residential Suburbs grant	➢ Integrated suburbs development	May be useful in upgrades in the case of some precinct development projects
Grants which are not relevant or appropriate	Municipal Infrastructure Grant	➢ Non urban infrastructure	Not suitable
	DRLDR grants such as the Settlement Land Acquisition Grant	➢ Principally utilized for non urban land and rural projects, even though there is a theoretical alignment	Not suitable in practice given DRLDR rural orientation and very slow release of funding

[29] It is noted that such grant funding streams are likely to flow more quickly and be subjected to less 'red-tape' than funding which flows via the KZN DoHS. In the case of eThekwini Municipality, where the bulk of informal settlements are located, major delivery programmes are already primed for implementation and can deliver very rapidly and at scale if funding can be rapidly accessed in sufficient quantities.

[30] provided by the KZN DoHS as well as directly from the National DoHS to accredited municipalities

[31] to be provided directly to accredited or high capacity municipalities

11. Main Implications of this Strategy

11.1. Implications for the KZN DoHS

The Strategy has a number of important implications for the KZN DoHS which need to be taken into consideration in the Departments short term planning and interaction with other spheres of government. These are addressed the section 8 above ('Plan of Action for the KZN DoHS').

11.2. Implications Housing Sector Plans

HSP's need to be significantly strengthened through the additional of dedicated and practical informal settlement development strategies. Sufficient settlement profile information is critical for the development of such strategies. Census data is insufficient on its own. In many municipalities, rapid up-front assessment and categorization of informal settlement by appropriate development response is therefore the first and critical action.

11.3. Implications of KZN DoHS Budget

Please refer to Section 5 of Part 2 'Situational Analysis'. The main implications of this indicative analysis are as follows:

- Sufficient budget to meet 2014 Outcome 8 targets for interim basic services and secure tenure provided the indicative mix of full upgrading, interim basic services, emergency services and relocations is pursued (i.e. major focus of delivery is on interim and emergency basic services). This assumes that the UISP is utilized and that the necessary flexibility indicated above can be provided.
- The elimination of the entire backlog utilizing a similar mix of responses would take approximately 16 years until approximately 2027.

A significant risk (and opportunity) exists in respect of the allocations to rural housing which on the MTEF for the forthcoming years until 2014 averages close to 40%: should this allocation increase then it poses a budgetary threat to the achievement of informal settlement 'eradication' targets, but conversely, if the allocation can be reduced over time, the timeframes to address the total backlogs could potentially be reduced. This would however require that sufficient up-front preparation and planning funding is released to Municipalities to enable them to procure the necessary capacity.

11.4. Implications for Sector Capacity

There will be significant implications for Sector Capacity, which has bean a cause for concern in the Province for many years. Careful consideration needs to be given to the following specific aspects of sector capacity:

- The DoHS itself;
- Municipalities;
- Private sector;
- Non governmental organizations;
- Contractors;
- Suppliers.

Some of the key implications and critical actions that should be considered include:

- Releasing project preparation funding to Municipalities in order to enable them to procure the necessary professional capacity to assist with the critical early / initiation stages (e.g. rapid preliminary assessments, project pre-feasibilities, project planning).
- Helping municipalities to ensure rapid and effective procurement where they may need assistance.
- Putting in place better systems for monitoring projects as they move through the project cycle and DoHS system and to identify where projects have become stalled.

11.5. Implications for Policy and Programme Instruments

To a significant extent, these implications are covered under the section 8 above ('Plan of Action for the KZN DoHS'). Further commentary is however provided below.

11.5.1. UISP

Whist this Strategy is strongly aligned to the Upgrading of Informal Settlement Programme (Chapter 3 of the National Housing Code), there are areas where either some flexibility in the implementation of the UISP will be required or else additional non-housing funding / programmes will need to be accessed or activated in order to give effect to the Strategy. The areas where such flexibility is required are addressed in the above-mentioned Action Plan and the Logframe. The overriding objective has been to develop a Strategy which is effective, practical and which meets the real conditions at grassroots level. It has therefore been assumed that the Strategy will be utilized in part to help refine and enhance programmes such as the UISP and in where necessary to help put in place new funding instruments and programmes where these are not yet in place. A key factor for the KZN DoHS will be determining the extent to which other non-housing grants such as the new USDG will be utilized and how this should be factored into provincial plans and strategies. As indicate previously, two key areas where UISP flexibility will need to be assessed / confirmed are:

- The release of phase 1 UISP separately prior to and separately from land acquisition;
- The utilization of the UISP for emergency basic services.

11.5.2. USDG / New municipal infrastructure grants

To a significant extent, recent events have already started to indicate a direction in terms of addressing the absence of certain of the necessary funding instruments for the provision of interim or emergency basic services for informal settlements. In particular, the mooted USDG will be an important instrument, it being noted that this has arisen out of processes at the City Budget Forum (as of October 2010) and within the context of eThekwini's large scale and successful programme of interim services for informal settlements and the absence of any readily available grant funding for such services.

11.5.3. DoHS top-structure emphasis

It is noted that there is limited precedent for both the KZN and National DoHS making available infrastructure funding to Municipalities for interim or emergency basic services. Historically the KZN DoHS tended to only provide infrastructure funding when it is part and parcel of a full upgrade, and that it prefers to focus on the funding of top-structures rather than services hence making funding for services available only as a last resort when Municipalities are unable to source such funding from other sources. This KZN emphasis to a large extent reflects an emphasis of the National DoHS. Notwithstanding its title as a Department focusing broadly on 'Human Settlements' and the existence of broad-based programmes and policies which enable diverse responses, the

major pre-occupation has until recently been on top-structures and full upgrading. Whilst Outcome 8 clearly reflects a change in emphasis, it is as yet unclear whether or not the full range of grants required to address Outcome 8 can be provided by via the DoHS or if supplementary infrastructure grants may be required to give effect to its realization. It is likely that the systems and precedent of conventional housing delivery may constitute some inertia to change and the required new direction and in particular in respect of rapidly availing grant funding for interim or emergency basic services.

(b) Housing expectations

To a significant degree, the delivery of interim or emergency basic services which are not linked to an imminent full upgrade via a Municipality's' housing department (as opposed to its infrastructure department) is likely to pose an on-the-ground political challenge. This is because of the ongoing promises of housing which have made over many years but which have in many instances not (yet) been delivered on, and which in many instances cannot be realized in the short term due to insurmountable budgetary and technical constraints such as land and bulk services availability. The offer of interim or emergency basic services if offered via a Municipality's housing department it thus likely to be regarded by a beneficiary community as a rescindment of prior promises. By contrast, when offered via a non-housing department (as in the case of eThekwini's interim services programme), the prospect of the interim or emergency infrastructure is typically well received. There are thus potential advantages in interim / emergency basic services not being provided via Municipality's housing departments, irrespective of the origin of the funding. There is also some potential risk that if communities know that the source of funding is the DoHS, then a similar problem of expectations may arise. There is of course a converse downside of having to co-ordinate multiple funding sources as opposed to being able to access all funding for informal settlement upgrading via one source (the desirable principle of 'one pot' of funding).

11.6. Implications for non housing investments

There are a range of implications for non-housing investments and it is critical that these are adequately planned for (refer to section 12 below). Such non-housing investments would need to address such aspects as: educational and health care facilities; public transport, livelihoods interventions, food security, local economic development, small enterprise support, and job creation. This also requires an investment of time and the necessary human resources from responsible government departments.

12. Promoting Integration, Sustainability and Spatial Coherence

The importance of promoting integration, sustainability and spatial coherence cannot be overstated. As indicated previously, whereas the DoHS grant funding mandate is primary focused on housing, infrastructure and tenure, there are two factors which put it in an enabling position in this regard:

- Its overall mandate is 'human settlements' which are always defined as consisting of more than just housing and basic infrastructural services;
- It can and does provide funding for the preparation and planning of projects.

The overall objective must be to ensure that the following key aspects of development are addressed in parallel with housing and infrastructure and that the latter investment is used as a

way of leveraging broader development and change so as to promote more integrated and sustainable development:

- Fire protection
- Solid waste removal
- Education (especially at school level)
- Health care (especially primary health care / clinics)
- Public transport
- Special needs
- Day care
- Local economic development
- Job creation
- Support for local micro-enterprise
- Livelihoods interventions
- Food security
- Recreation.

The following are offered as practical ways in which various key spheres of government can play a more effective role in this regard:

KZN DoHS:

- Obtain multi departmental / multi-sector buyin to this Strategy;
- Include participative multi-sector actions plans (driven mainly by the actual experiences of local residents of informal settlements) in all project pre-feasibilities;
- Include basic integrated local spatial plans as an essential ingredient in funded project preparation at the project feasibility stage;
- Include socio-economic surveys and / or focus group work in project feasibilities in order to obtain better information on the beneficiary community and its issues / needs over and above those relating to housing and infrastructure.

Municipalities

- Implement the additional value adding project work outlined above/
- Consult more closely with communities to understand their broader needs.
- Foster more functional relationships with key sector Departments (e.g. Health, Education, Social Welfare etc).

Other Sector Departments

- Become familiar with this Strategy and provide feedback to the KZN DoHS.
- Participate in KZN DoHS awareness activities relating to this Strategy.
- Allocate personnel to work more closely with Municipalities during the planning and implementation stages of informal settlement upgrading projects.

13. Sector Alignment Guidelines

13.1. Introduction

Historically housing projects have been implemented with little or no alignment between various sectors and departments. This haphazard and uncoordinated delivery has lead to poorly located projects established far from economic opportunities, transport routes, education and with little or

no access to the required social facilities such as health and welfare to create vibrant and sustainable communities.

This has been clearly reflected in the Msundusi housing plan which indicates that attempts to relocate settlements such as SWAPO to Haniville in the late 1990s failed with these informal areas soon beening reoccupied and the settlements expanding from their original size.

It is therefore critical that both the department of housing and the municipalities concentrate significant effort to ensure that the various sectors are aligned and that all efforts are made to ensure that housing is delivered in an integrated and holistic manor with the primary concern being the long-term sustainability of the project. Effectively projects that are not delivered with sufficient attention to these issues will eventually have to be redone often with additional technical and social challenges to be overcome.

13.2. Key Issues and Principles

- *Vertical alignment*:

Vertical alignment occurs primarily through the various spheres of government such as the National Government, which develops laws and policies with matters that apply at a national level. Provincial government which has the power to make specific laws and policies for the province and local government or municipalities which administer matters pertaining to the implementation of these laws an policies. Vertical alignment is primarily concerned with development planning.

- *Horizontal alignment*:

Horizontal alignment occurs between various government departments and relevant developmental sectors, which have or will have impact on the long-term sustainability of both the existing and planned future settlement. (These included sectors such as health, environment, agriculture, welfare, transport and economic development). While vertical alignment is important, horizontal alignment has a far greater impact on the sustainability of a housing development at a project level and should therefore be the primary concern for both the department and the municipal housing official when implementing informal settlement projects.

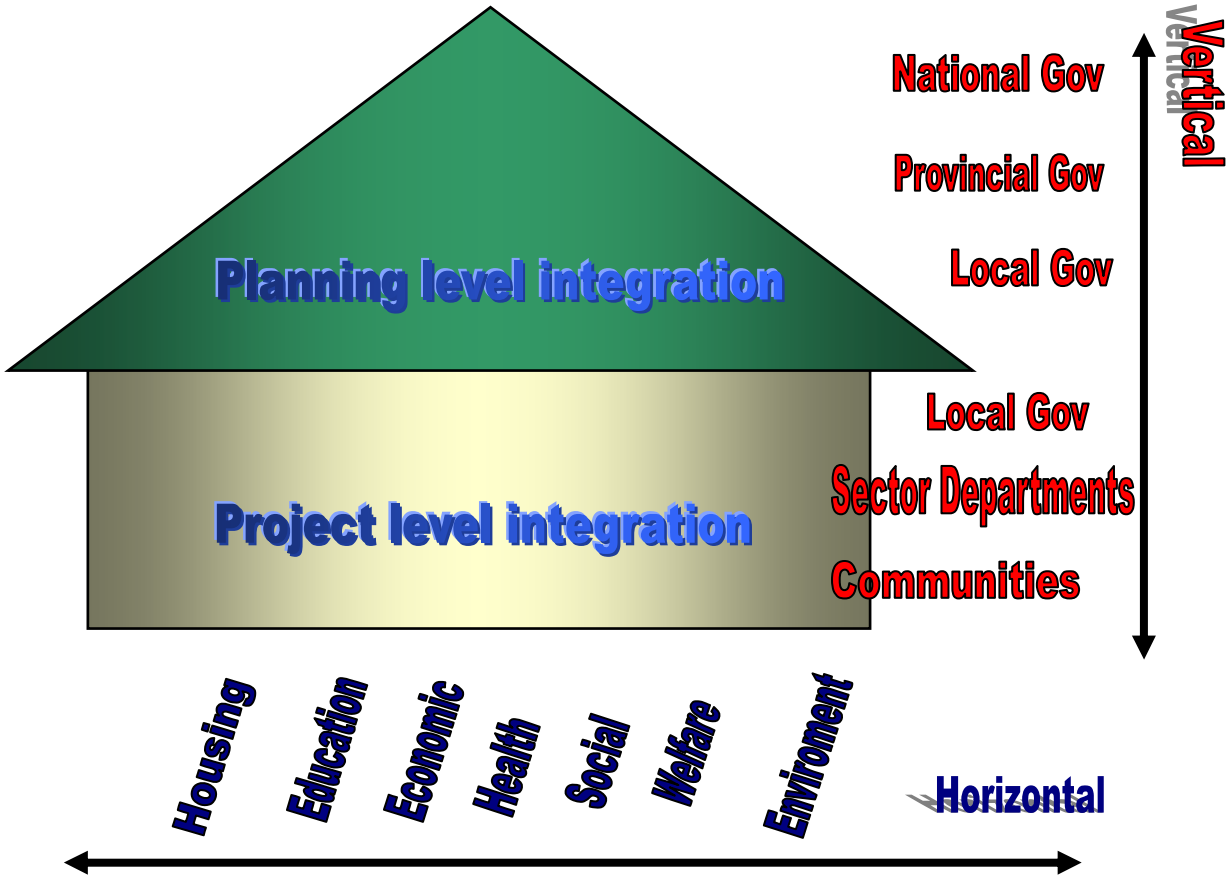

Fig #: Vertical and Horizontal Alignment

- Lack of effective sector plans and intergovernmental cooperation;

Policy indicates that sector alignment should primarily be achieved through the IDP, which should coordinate all of the relevant developmental sector plans (Housing, Water, Environmental, Transport etc.). The IDP with the associated sector plans should indicate what the various departments are planning to implement in each area to ensure that these projects are aligned and coordinated. This alignment should ensure that state and private sector investments is concentrated and complimentary to reduce the wastage of limited resources, ensure that development is responsive to local needs and conditions and to ensure community participation.

However, from a practical perspective this alignment is seldom achieved, sector plans are often poorly drafted with little or no applicability to local conditions or the needs of communities. Departments are oftern dealing with difficult developmental pressures to deliver basic services within their own departments and find little time to cooperate and align with other relevant governmental departments.

Therefore where projects areas have been identified both the IDP and the sector plans are seldom useful in providing relevant information at a project level.

- *Project level integration*:

It is thus critical that the distinction is clearly understood between integration at the broad IDP level and integration at the project level. There is a need for government and others involved in development to work both from the top down (i.e. utilizing IDP frameworks) as well as from the

bottom up (i.e. consulting with communities on the ground, understanding needs and community assets, identifying appropriate projects, and then feeding these back into the IDP and budgeting processes).
Project level integration is concerned mainly with ensuring that development at the community or project occurs in a manner that is holistic, multi-sectoral, appropriate and sustainable.

13.3. Guidelines for KZN DoHS

Planning level interventions

- Obtain multi-sector buy in to this Informal Settlement Strategy.
- Setup a review meeting(s) with key sector departments and municipalities to review the status of sector plans and how they can be improved or made more relevant and accessible. The objective is to ensure that sector plans are more effective and relevant at a local level
- Compile an information pack relating to sector and planning integration (including PSEDS, available GIS data sources, key housing policy, key sector departments directives etc). Disseminate this pack to all municipalities.
- Host a multi stakeholder workshop on the above pack and how to promote better sector alignment and better integrated planning.
- If need be, run additional capacitation interventions / workshops for municipal officials to ensure that they understand the requirements of sector alignment
- Set meeting with DECOG with a view to finding ways to ensure that Municipalities have key GIS capabilities and access to relevant GIS information

Project level interventions

- By means of practical information workshops, ensure that housing and other relevant officials are effectively capacitated to understand the complex process of informal settlement upgrading especially at the critical project packaging stage
- Hold regular housing forum meetings to ensure that officials are keep up to date on current policy and relevant departmental issues and to deal with any challenges as they may arise in implementing housing projects
- Ensure that housing officials clearly understand their role as the single point of information access especially with reference to the specific project area within which they are working
- Promote human resource management that ensures that skilled housing officials are supported and effectively renumerated to maintain continuity in the municipal housing unit

13.4. Guidelines for Municipalities / project champions

Planning level interventions

- Ensure that there is a clear understanding of the content and applicability of the current IDP, SDF and relevant sector plans at a local project level
- Identify gaps in the current IDP, SDF and sector plans to inform reviews of these plans to ensure their continuous updating and improvement
- Coordinate all available area based planning information at a local level. (I.e. GIS base information, relevant sector plans, Water, Transport, Electricity etc.)
- Coordinate all available feasibility studies at a local level specifically related to any related projects, which have been implemented or investigated in the area. (I.e. Geotechnical, Environmental, Social studies etc.)

- Ensure alignment with specific provincial sector policies and policy directives such as BNG, Housing Code, Health policies, Welfare policies etc.
- Ensure alignment with provincial spatial policies such as PSEGS and PGDS
- Hold regular housing forum meetings to access relevant information from the sector departments as well lessons from any other project being implemented

Project level interventions

- Ensure that housing and other relevant officials are effectively capacitated to understand the complex process of informal settlement upgrading and the various technical and social requirements especially at the critical project packaging stage
- Ensure up front identification of key issues and challenges facing community during early preparation through implementing detailed socio-economic and enumeration surveys. These surveys should clearly defined community needs and reflect specific local conditions which will be relevant to the implementation of the housing project
- Based on these socio-economic surveys identify critical sectors which should be involved in the holistic development of the area, e.g. HIV aids, Education, Fire Protection services, Police, Health, Welfare.
- Based on these socio-economic surveys identify assistance to special needs groups (e.g. those infected or affected by HIV / AIDS, orphans and vulnerable children, the aged etc).
- Commission local area based spatial development plans to identify specific shortages in the provision of or access to key social facilities e.g. education and health care, clinics and school
- Identify key local stakeholders who will be either directly or indirectly involved in both project implementation and its ongoing operation and maintenance. These stakeholders should be included in both the planning and implementation of the project. (I.e. Local community organisations, NGOs, interested parties etc.)
- Based on the initial socio-economic survey identify specific and ongoing projects which will enhance the sustainability of the settlement (I.e. food security, local economic development projects, education and schools projects etc.)
- Ensure ongoing and appropriate participation of and consultation with communities on the ground to ensure that development projects and other support respond to local needs and optimize community assets.

Guidelines for the various levels of alignment have been provided in the table that follows.

Sphere of Government	Alignment Objective	Responsibility	Alignment action required	Comment
Vertical Alignment: **National and Provincial Policies**	Ensure alignment with national policies & guidelines	National and Provincial Policy Manager/s	Ensure alignment of National Policies i.e. National Spatial Development Perspective, PIE, BNG, Acts etc. Ensure alignment of district and local municipalities Ensure alignment between local municipalities	– National and Provincial Policy Managers are responsible for the alignment of the various national policies and guidelines. – District and Municipal IDP managers are responsible for the alignment of districts and local municipalities as well as between adjoining or affected local municipalities.
	Align district & local municipalities	IDP District and Municipal Managers		
	Alignment between local municipalities			
Horizontal Alignment: **Sector Planning**	Align various sectors with each other and overall IDP	Planners, IDP Managers, Sector Managers & Sector Specialists	Ensure inter-sectoral alignment between the following: – Housing Sector Plan – LED Plan – Transport Plan – Water Services Development Plan – Environmental Management Plan – Other relevant sector departments and plans	– Alignment of Sector departments is the responsibility of the IDP manager, sector departments and sector specialists who should use the IDP document as the alignment vehicle. – Spatial alignment of sector projects is coordinated through the Spatial Development Framework (SDF). – This is a dynamic process with ongoing adjustment and alignment between various sectors, through the SDF and IDP.
	Spatial alignment of projects through the Spatial Development Framework (SDF):			

Horizontal Alignment: **Project Level Integration** **(Planning & Implement -ation)**	Manage integration of projects being planned and/ or implemented	Project Manager (appointed or internal) & appointed professionals and sector specialists	Ensure coordination and alignment of the following feasibility studies and processes: - Land assembly process - Socio-Economic Surveys - Environmental Management - Bulk Services Feasibility - Engineering Services - Local Level Transport Planning - Town Planning - Internal & External Social Stakeholders *(Development Committee, community, professional team, municipality etc.)*	- It is the project manager's responsibility to manage and coordinate the project's implementation process. - Apart from general project management activities such as securing the land, town planning, environmental management, managing social issues and relevant project stakeholders, the project managers should also manage the involvement of various external stakeholders such as neighboring residential communities, the local business community, NGOs and social services throughout the project's implementation.
Horizontal Alignment: **Project Level Integration** **(Operation and Maintenance)**	Ongoing alignment and integration to ensure long-term sustainability and settlement management	Project Manager (appointed or internal) & appointed professionals and sector specialists	Ensure inter-sectoral alignment between the following: - Fire & Emergency Services - Education - Social Welfare - Health - Protection Services - Relevant Civil Society organisations in the area - Energy (Eskom) - Telecoms (Telkom) - Specific projects i.e. Food Security, Water Security, Local Economic Development etc.	- It is critical that the long-term sustainability of each settlement is effectively managed. - Services required by residents (e.g. fire, police, clinics, hospitals, schools, transport)_ must be integrated into the area and develop a plan of assistance to the resident community - Furthermore and based on the needs identified in the initial socio-economic survey, ongoing community upliftment programs such as local economic development initiatives, food security projects etc. should be implemented in the settlement in order to ensure that residents have the means to develop sustainable livelihoods strategies.

14. Promoting Densification

Whilst densification should not automatically be pursued on every upgrade project, it should be pursued where it is appropriate to do so (i.e. where there is a shortage of developable land available and where 'compaction' of the urban form is regarded as an important planning principle. This will tend to apply most in major urban centres such as eThekwini and Msunduzi.

There are two main ways in which densification can be promoted:

- Double story, attached housing typologies.
- More pedestrianised layouts in order to reduce the loss of space to road reserves.

There is significant case study project precedent which can be referred to in this regard by Municipalities wishing to explore this further (e.g. the recent Kenville Precinct Redevelopment project in eThekwini which is currently in the detailed planning and design stages (refer also to Annexure J1 for a short case study).

In all cases, densification will come at a slightly increased cost arising mainly from the additional top-structure costs, but also potentially arising from the retaining walls and additional civil engineering works which may be required on steeply sloping sites. These additional direct costs however need to be offset by other indirect costs which may be difficult to quantify (e.g. relating to a more sprawling city / town and the associated need to extend bulk infrastructure or the additional transport costs which commuters might face in traveling into town from the urban periphery.

15. Achieving Secure Tenure

Please refer also to the table contained in Part 2, Section 6 above.

The nature of tenure provision needs to be appropriate to the level of investment and nature of the developmental response being promoted. Two broad forms of tenure are thus necessary and appropriate for the achievement of this Strategy:

15.1. Secure tenure for interim basic services

The appropriate form of minimum tenure for the delivery of interim basic services should be that of functional and 'collective' (settlement-level) tenure (as opposed to formal and individual tenure) and specifically in the form of a municipal recognition of the settlement in question. Such recognition needs to be based on the rapid up-front assessment of settlements outlined section 1 'Overview' above. It would typically take the form of an approved municipal schedule of projects which would need to be included in the municipality's housing sector plan. This recognition means that the municipality has assessed the settlement as potentially suitable for medium to long term upgrading and that in the interim, it does will not pursue any actions aimed at eviction or relocation. Although the municipality will in most instances not (yet) own the land in question, it is implicit that it has an intention to do so and that such acquisition will take place when the timing is appropriate. Such recognition means that a settlement is no longer regarded as 'illegal' in the eyes of the municipality, even if the area has not yet been formalized. The very act of categorizing and classifying informal settlements confers a significant level of tenure security mainly through increasing the transparency of future developmental plans and reducing uncertainty over potential relocation. For example, residents of settlements categorized for full upgrading or interim services are assured that they will not be relocated except in the case of those who cannot be accommodated on the site, in which case they will be provided for on another housing project.

15.2. Secure tenure for full upgrading

The appropriate form of tenure for the delivery of a full upgrade should be that individual, formal tenure. Whilst a title deed should be regarded as the 'default' form of tenure, in the absence of any proven alternatives, efforts should nonetheless be made to encourage the testing of other more streamlined forms of individual, formal tenure via pilot alternative tenure projects. The reasons for the need to test such alternative forms of tenure are outlined in section 6 of the situational analysis. The performance criteria for such alternative tenure forms should be as follows:

- upgradeable to full title as and when the need arises,
- locally administered (e.g. by the Municipality),
- easily accessible to residents / owners,
- low or nil transaction cost,
- low administrative cost,
- provides a locally authorized certificate of ownership to the owner.

16. Land Acquisition and its Timing

As with tenure, the need for greater flexibility with respect to land acquisition and its timing is critical for the success of this Strategy. The timing of land acquisition will likewise vary depending on the nature of developmental response being promoted.

16.1. Land acquisition timing for interim basic services

Land acquisition is seldom a rapid or straightforward process and it typically a protracted process. With the exception of land which is already owned by the Municipality or where there is a private owner willing to sell (scenarios only prevailing for a small number of de-facto informal settlements), the process may take anywhere between a year and four years. This includes cases where land is owned by other spheres of government or multiple private land-owners, where there are deceased estates, where expropriation is required, or where land is the subject of restitution. In addition, land acquisition is often very costly, especially where the land is question is well located and developable. Land acquisition is many projects is so complex that it is best regarded as a project in its own right and requires dedicated funding for the necessary professional land legal and facilitation work which is often necessary. In the case of delivering interim basic services, such protracted delays entirely undermine the core objective of providing rapid relief on the ground.

Consequently land acquisition can and should not be made an essential pre-requisite for delivering interim basic or emergency services and such flexibility becomes a critical success factor for the Strategy given that these responses are the main ones which will enable delivery at scale.

This flexibility is thus central to the overall success of the Strategy and without it the delivery of interim and emergency basic services will cease to be achievable rapidly and at scale, a factor which is essential in meeting the targets arising from Outcome 8 which targets 76,200 informal settlement households in KZN.

Importantly there is established precedent in this regard in terms of eThekwini's interim services programme. eThekwini has considered the legal implications and has determined that the Municipal Ordinance confers on it the right to intercede on private land where there are health and safety imperatives, as constituted by the typical living conditions within informal settlement. There

is also longstanding precedent of MIG investments in infrastructure on non-Municipal land (e.g. land owned by the Ngonyama Trust Board).

The typical concerns raised over the approach arise from the following factors: A) Legislation such as the MFMA which constrains state-funded improvements on private or non-municipal land; B) The traditional housing approach which requires land acquisition before development occurs.

Municipalities will obviously need to consider each settlement and situation on its merits but should have the flexibility to pursue a strategy which works within a particular local context.

16.2. Land acquisition timing for full upgrading

Land acquisition should remain a pre-requisite for full upgrading given the high capital investment and formal nature of the development. However, where interim services are an intermediate step towards a full upgrade, then there should be flexibility to delay land acquisition until the installation of permanent / full services and township establishment is imminent.

17. Community Participation

There are various methods and approaches for facilitating effective community participation in the upgrading processes. In all cases, the minimum level of participation should be that of regular meetings between the municipality and its professional team and the local community structure. Liaison only with the ward development committee and ward councilor is not regarded as sufficient as a 'gap' in information and communication invariable results. This does not mean that the ward councilor and ward development committee should not be involved in the process, just that they should not be the main and only point of contact and participation. In all cases facilitation must be undertaken by an experienced facilitator with extensive experience in working with poor communities and with a good general knowledge of housing, infrastructure and planning processes. This is not a task which should be undertaken by an inexperienced or junior professional or government official. Failure within the facilitation and participation process can threaten the success of a project and even lead to violent confrontation.

Additional methods relating to participation include the following:

- Participative community action plans which are multi sector and identify the most important issues and challenges facing residents;
- Socio-economic surveys to obtain more broad, quantitative household and settlement information;
- Focus groups (around specific identified issues) to obtain more qualitative information (useful in order to augment a socio-economic survey;
- Community enumeration as followed by social movements of the urban poor such as the Federation of the Urban Poor (FEDUP).

18. Identification of Land and Buildings

18.1. Pro-active Identification of Land

As part of the municipal land identification strategy the municipality should have identified potential land parcels for development. The timing of the acquisition and development of such land requires

careful programming taking into consideration housing backlogs, anticipated future urban migration and relocations needs from existing informal settlements[32] and backyard shacks.

Given that the process of acquiring, planning and developing land is a slow, multi-year process, the Municipality needs to 'get ahead of the game' by proactively identifying suitable land (whether vacant or settled) well in advance of when it is required.

This process consists of the following main stages, which are described in more detail in Module 6 of **Annexure H**. It is noted that each of the following stages is considered 'bankable' and need not be followed consecutively by the subsequent stage.

- Identification of suitable land parcels (based on a rapid assessment and prioritization of possible land parcels against specified criteria).
- Acquisition of suitable land parcels (informed by pre-feasibility-level assessments which confirm the suitability of the land in question).
- Preliminary planning of land and possible delivery of interim basic services (where this is deemed as being appropriate).
- Formal planning and land development approvals.
- Delivery of tenure, full services and top-structures (when funding permits).

The timing and sequencing of the above stages needs to be determined by such factors as available budget, human capacity to undertake the work in question, and existing and anticipated housing / land demand.

It is emphasized that there is inherent risk of land invasions once land has been acquired by a Municipality and once this information becomes public knowledge. Once acquired, land must therefore either be protected from invasion (e.g. by fencing and / or 'policing') OR alternatively land should be rapidly released along with preliminary layout planning and basic services provision. This will enable settlement of the land to occur in an ordered fashion, even if this is occurring in advance of the provision of full services and top-structures (refer to 21.3 below).

18.2. Selection of suitable land

Land for human settlement needs to be well located and sustainable for both existing and future urban communities. It is critical that the municipality therefore clearly define their requirements for such land to ensure that land which is secured and developed is ideally suited for such development. In this regard they should identify the criteria which affect the success and sustainability of the project in the future.

The Strategy identifies three main guiding principles for the feasibility of vacant land and its acquisition for housing development, namely:

- Project Sustainability**:** All of the factors that will affect the long-term sustainability of the project to be developed. *(e.g. access to employment; education and health care facilities; public transport etc).*

[32] Informal settlements are characterized by high levels of settlement density relative to their neighboring formalized residential suburbs and townships. An inevitable consequence of full upgrading is that there is some level of relocations and alternative land is required either for green-fields housing projects or else emergency transit facilities

- Technical feasibility**:** All the factors that ensure that a project can be implemented on the land selected. *(i.e. bulk service and land availability; environmental factors; geotechnical conditions; topography etc.).*

- Resource Availability**:** Availability of the financial and human resources to ensure that the land can be secured and developed (e.g. finance for housing, infrastructure and land; project managers; municipal housing personnel; professionals; contractors etc.*).*

The following table has been provided to guide municipalities in the land identification process although each municipality should modify the criteria to suit their local needs where necessary.

Project Sustainability		
Criteria	**Sub-Sector Criteria**	**Description**
Spatial Location	Municipal SDF	Compatibility with the existing Spatial Development Framework developed by the Municipality, and therefore compatibility with the provincial PGDS and PSEDS strategies for spatial economic investment. This aims to ensure the integration of the fragmented urban structure through corridor development and thereby maximising the impact of economic investment.
	Access to Transport	Ensuring that communities are well located with respect to existing and planned transport facilities. Access to cheap and efficient transport is a primary driver for the development of sustainable communities.
	Access to Employment	Ensuring that communities are well located with respect to available employment
	Access to Social Amenities	Ensuring that communities are well located with respect to social amenities
	Urban Edge	Ensuring that development is located within the urban edge established by the municipality to limit urban sprawl and maximise the impact of economic investment.
Social Conditions	Social Conditions	Existing or potential future social conditions that may affect the sustainability of the development
Technical Feasibility		
Criteria	**Sub-Sector Criteria**	**Description**
Bulk Services	Availability of Bulk Services	Availability of Bulk Water, Sewer Reticulation, Electricity, Transport etc.
Land Ownership	Land Ownership	Municipal and Government land should be the first option for the development of affordable housing. Accessing Private land for development can be time consuming and costly.
	Land Claims	Existence of land claims which may affect the proposed development
Geophysical Conditions	Slope	Slopes of 1:3 and greater add to the unsuitability of land for development.
	Geotechnical	Desktop research to ensure that geotechnical conditions do not adversely affect the proposed development
	Floodline, wetlands	Floodline analysis to ensure that developments are located outside of potentially dangerous flooding and wetland conditions.
	Environmental	Identification of potentially restrictive environmental

	Conditions	conditions that may affect the proposed development, both on the site and in the surrounding areas
Development Status	Land use and Zonation of land	Compatibility of existing zonation and use to proposed development
	Development status	Development status and compatibility of proposed development in relation to surrounding developments
Resource Availability		
Criteria	**Sub-Sector Criteria**	**Description**
Financial and Human Resources	Land Acquisition	Availability of financial and human resources to acquire the identified land
	Land Maintenance	Availability of financial and human resources to maintain the acquired land
	Land Development	Availability of financial and human resources to develop the acquired land

For the rapid release of land for development, municipalities may decide on criteria such as land ownership i.e. state land, the availability of bulk services and access to employment is the primary filters to enable the rapid identification of land for development. Once the municipality has identified land, which meets these criteria it may then further investigate these land parcels to determine their suitability for the development of housing opportunities.

18.3. The rapid release of serviced land

The provision of interim basic services on land which has been acquired and which is under pressure for settlement / invasions would be a 'natural' and appropriate response in order to make such land more habitable and easier to upgrade and formalize in the long term. This would also be in keeping with the concept of incremental housing. It would also leverage people's own capacity to house themselves, once provided with secure access to land. Such a 'land first' approach is considered as a potentially valuable developmental approach which Municipalities can consider, even if it is not (yet) a mainstream programme of government[33].

18.4. Identification of Buildings

The viability of utilizing existing buildings (e.g. blocks of flats; disused hostels; converted office blocks) is regarded as being generally unviable as a means of providing affordable housing for the urban poor. There are several reasons for this:

- the high costs of acquisition and / or conversion far in excess of the typical subsidy application (refer to high subsidy allocations for social housing as precedent);
- high ongoing costs of operating and maintenance combined with the inability of poor residents to pay rentals or make other payments towards up-keep;
- a lack of suitable entities to own, operate and maintain such buildings, it being noted that even a well capacitated municipality such eThekwini do not regard this as a viable strategy based largely on its ongoing difficulties in managing inherited hostel stock;

[33] As indicated previously, whilst this is not yet an operational programme of government, its intention is manifest in the DRDLR's SLAG grant mechanism. There is also a national 'Land First' movement facilitated by Afesis Corplan which is actively promoting this as an necessary developmental response – refer to http://www.afesis.org.za/About-LANDfirst/ for more information.

- the significant risks of creating new 'slums' within buildings.

There is thus an inherent mismatch between the urban poor who reside in informal settlements and social or rental housing as possible housing option for them.

The use of building is regarded as a more appropriate strategy for social housing, which even then typically provides limited 'reach' to the poorest of the poor.

It is noted that the provision of housing opportunities in buildings through social housing projects and hostels programmes is challenging if not carefully planned and that intensive community consultations and detailed planning are required if this option is to be selected and implemented successfully. A social housing institution with the necessary capacity and experience is an essential ingredient and should be intimately involved in the project planning and setup and should preferably be the driver of the process.

In the event that Municipalities wish to nonetheless assess this challenging area of housing delivery further, the following checklist is provided for the evaluation of buildings:

- Suitability of building for creating housing opportunities
- Capacity and suitability of building's sanitation and water supply
- Capacity and suitability of electricity supply
- Cost if any to adapt building to provide required housing opportunities
- Structural soundness
- Access to building
- Intended design life of building
- Availability of parking
- Ventilation
- User friendliness for people with disabilities
- Designed use of the building
- Internal divisions
- Orientation of the building
- Conditions on building services
- Additional amenities on site

19. Prevention of Occupation of Vacant Land

19.1. Why prevent invasions?

While it is true that many communities become frustrated at the slow delivery of housing opportunities and limited access to land, frustration does not necessarily justify illegal land invasions. Illegal land invasions make it difficult for the municipality to plan for the progressive realization of housing opportunities in the municipal area. Once established, informal settlements are often characterised by high population densities, illegal activities, illegal immigrants and a lack of basic services, which make the process of upgrading highly complex and challenging. Additional land and projects are often required to accommodate the relocations from existing settlements and the coordination of these processes as well as the additional pressures they place on municipalities severely hampers the municipality's overall ability to provide progressive housing opportunities for their growing urban communities.

The illegal occupation of land should therefore be prevented by the municipality, which should take all the necessary steps to prohibit and counteract illegal occupation. Both municipalities and communities should be tasked with monitoring vulnerable land which may potentially be invaded to establish informal settlements.

However, where illegal occupation has already occurred the municipality should incorporate such resident communities in the progressive delivery of infrastructure and housing opportunities through their municipal housing strategy, while at the same time not adversely affecting existing beneficiaries and/or current housing projects within that plan.

19.2. Pro-active measures to prevent illegal occupation: Proactive acquisition and planning of land
(Please refer also to Module 6 in the Detailed Toolkits contained in Annexure H).

The primary means of pro-actively addressing the challenge of illegal occupation is to 'get ahead of the game' by acquiring suitable land and, where appropriate, providing basic planning of and interim basic services on such land. This will enable more appropriate and sustainable human settlement patterns and will make the process formalization and conventional housing delivery much easier when it eventually comes on stream (refer also to section 21.1 and 21.3 above).

19.3. Pro-active measures to prevent illegal occupation: Monitoring & control

Proactive community consultation in relation to vacant land and planned projects is critical in ensuring community support both for the projects as well as securing community involvement in protecting identified land from possible future invasion.

The municipality should in consultation with communities, proactively identify well-located land with a high potential for land invasions and the establishment of informal settlements. Where development on such land is not suitable these land-parcels should be actively monitored both by the municipal officials and the resident community and affected stakeholders. Where development on such land is suitable they should be added to the strategic plan for the delivery of housing opportunities in the municipality, and their development should be proactively pursued.

Based on the two assessments detailed above each municipality should establish a database consisting of land parcels for development and areas of potential invasion.

This land database should be actively monitored by the municipal housing official. This official should also enlist the assistance of ward councilors and communities to assist with the regular physically monitoring of such land. Regular monitoring of these land parcels to ensure that firstly and if possible any illegal occupation is prevented and where prevention is not possible, illegally occupied areas should be reported immediately to the municipality.

Regular meetings between the municipality, community, Ward Councilors and affected stakeholders should be held to update stakeholders on progress with the implementation of the municipal housing strategy and the monitoring of the land database process, and to identify any further measures that can be implemented to assist in the creation of housing opportunities for the affected communities.

19.4. Where illegal occupation has occurred

The illegal occupation of any property within the boundaries of the municipal area should be reported immediately to the relevant official dealing with housing delivery at the municipality.

A rapid assessment of the reasons for the invasion and some engagement with the invading community should then be rapidly expedited, in order to reach a better understanding of the situation. Where possible, the situation should be addressed without resorting to evictions (e.g. through negotiations). It is accepted that there may be cases where there is no other land available to which the Municipality can relocate the community. In such cases, the Municipality will need to weigh up the pro's and con's of commencing with evictions. It will also need to assess the implications of its own constitutional obligations to provide its citizens with basic services and housing.

In the event that, having taken stock of the situation and engaged with the community, eviction is determined an appropriate course of action, the then the following courses of action will apply:

- If the property is owned by the municipality, the Legal Services Department should apply to court for an eviction order as well as for the prosecution of those who initiated the land invasion process. The court will grant an order of eviction if it is of the opinion that it is just and equitable to do so, after considering all the relevant circumstances. The court will place greater responsibility on the municipality, the longer the illegal occupants have been on the land, in this regard PIE distinguishing between less than or more than 6 months of illegal occupation. This implies that after 6 months of illegal occupation, the court will add the additional condition on the municipality that, where reasonably possible, occupants be provided with alternative land for relocation and this will be incorporated into the judgment on the proposed order of eviction.

- If the property is not owned by the municipality the Legal Services Department shall give notice to the owner of the land, 14 days in advance before instituting procedures outlined above, i.e. to apply to court for an eviction order as well as for the prosecution of those who initiated the land invasion process. The procedures set out in the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 19 of 1998 will then apply.

20. Assumptions and Limitations with Respect to the Strategy

20.1. Assumptions

- *Outcome 8*: Whilst the initial impetus to this Strategy was the KZN Elimination and Prevention of Re-Emergence of Slums Act, it is assumed that a more recent and overriding imperative relating to informal settlement is that of Outcome 8 and the KZN Delivery Agreement relating to human settlements which is discussed in more detail later and which provides specific and ambitious targets in terms of upgrading informal settlements in KZN through the provision of basic services and secure tenure.

- *Role of KZN DoHS:* It is assumed that the KZN DoHS will implement the action plan and Logframe contained in the Strategy Section below including taking pro-active steps to put in the place the necessary policy flexibility, funding instruments, and administrative systems.

- *Role of municipalities*: It is assumed that Municipalities, with support from the KZN DoHS and other key government departments, will make use of this Strategy in order to develop and implement proactive developmental plans for informal settlement. This Strategy is specifically

formulated in order to empower municipalities to play this role (e.g. through the provision of practical methodologies and toolkits contained in **Annexures G & H.**

- *Project preparation*: It is assumed that a phase of project preparation will commence immediately after the finalisation of this Strategy (as outlined in the practical methodologies and toolkits contained in **Annexures G & H** as such further preparatory work is essential in order to obtain better information and to develop viable and appropriate developmental plans for specific settlements.

- *Grants*: It is assumed that the necessary grant funding will be made available, not only by the KZN DoHS but also from other departments such as CoGTA/MIG, Education, and Health in order to enable integrated and sustainable human settlement development.

- *Buy-in*: It is assumed that other spheres of government and government departments (e.g. Municipalities, Departments of Education and Health) will be brought on board and will buy in to the Strategy. Whilst the KZN DoHS takes some responsibility for planning for human settlements, its funding mandate is confined to housing and to some extent infrastructure and land (and does not extend to such necessary human settlement investments relating to education, health care, local economic development , sustainable livelihoods etc).

20.2. Limitations

- *Scope and budget*: This Strategy is developed on a limited budget and on the basis of desktop work on the assumption that municipalities can provide the necessary local information on their informal settlements. Given the scale of informal settlement and the size of the province, no on-the-ground work was possible nor was it entertained in the project methodology. In practice, the level of information available from municipalities has been variable and in many cases insufficient or incomplete information was provided. Whilst some GIS work was undertaken in an attempt to address information gaps, it is essential that additional work is undertaken in order to obtain a better profile of informal settlements in those municipalities where information is deficient (refer to section 10 of the Situational Analysis section and section 7 of the Strategy section for more information in this regard).

- *Housing Sector Plans*: Many housing sector plans developed by municipalities have had a limited focus on informal settlement. While the Department has identified the 'Slums Clearance Programme' as its primary focus, many Housing Sector Plans do not reflect this priority. Where plans have reflected the informal settlement focus it is often only paid lip service with municipalities merely reflecting the number of informal dwellings recorded per ward and suggesting broad 'Slum Clearance' projects in these areas. In these areas no actual informal settlement has been identified and these projects are never implemented remaining only suggestions in the plan.

- *Subsidy instruments*: There has been limited utilization and activation of the subsidy instruments designed to address informal settlement upgrading (specifically the Upgrading of Informal Settlement Programme – UISP) in South Africa, including in KwaZulu Natal. This is despite the relatively progressive, flexible and innovative nature of this subsidy instrument. To a large extent, informal settlement upgrading has tended to be avoided by many

municipalities due to its perceived complexity compared to the ease of delivering other forms of housing such as rural housing.

- *Grant instruments*: In terms of the implementation of this Strategy not all of the necessary grant instruments or enabling policies are yet fully in place or fully activated. Whilst the overall enabling framework is in place, there are several areas where clarity or additional flexibility is required. This largely reflects the historical failure by municipalities and provinces to make use of such policies as Breaking New Ground and the UISP and to start ironing out the implementation issues. The historical failure to do so places additional pressure on the KZN DoHS in the implementation of this Strategy (refer also to the Action Plan contained in the Strategy section below).

- *Budgetary constraints*: There are also likely to be budgetary constraints in the implementation of this Strategy. These are addressed in more detail later, but it is critical that careful consideration be given to this issue, including through the MTEF budgets of the KZN DoHS which are currently dominated by allocations to rural housing delivery, a programme which itself become controversial in terms of its sustainability.

- *Census 2001 baseline*: Census 2001 data is still being utilized as the primary data set to determine informal settlement and service delivery backlogs by Municipalities and Provincial Departments alike. However this data set is now well out of date and there are significant risks in formulating strategic and operational plans based on this data. With reference to this Strategy, the use of dwelling typology data to indicate the scale of informal settlement is not considered reliable.

- *GIS and other data*: Attempts to address information gaps through the utilization of existing GIS data sets were challenging. The following were some of the specific data and GIS challenges encountered:
  - *Municipal information:* Limited information was available from most municipalities and the nature of information provided was variable in type and content.
  - *Recent informal settlements not enumerated:* Even though the 2008 DLA data has been supplemented with the latest Eskom Spot data from 2008, not all of the informal settlements have been enumerated. Therefore a few settlements, especially those recently established within the urban edge boundaries, have not been fully counted or counted at all.
  - *Census data outdated*: Base data from Census 2001 has been used extensively both the DoHS and many municipalities to determine the estimated backlogs for their 'slums clearance' programme. The primary limitation of this data is that it is 10 years old, which represents a significant period of time in the context of the rapid development of many informal settlements.
  - *Land ownership details:* It was originally hoped that existing DLA Urban Edge data could be used to supplement missing municipal base land ownership details for each settlement. However on closer inspection it became apparent that this data only covered land parcels outside of the urban edge, on which few if any settlements are located, and therefore no detailed information could be provided on this land.
  - *Census data dwelling typologies*: The exclusive use of estimates of dwelling typologies in Census 2001 to determine the size and location of informal settlements may produce significant errors. This is due to the fact that while a Census 2001 survey enumerator may provide the home owner with guidelines as to how dwelling types are defined, legally it is the home owner's response which must be recorded in the survey. Therefore, if a

homeowner in a traditional area defines their dwelling as informal it will be recorded as such in the survey.

- *Service delivery backlogs:* Originally, it was hoped that Census data could be used to determine service delivery backlogs in informal settlements. However, as Census data has not captured many of the new settlements especially those in infill urban areas these backlogs figures could not be used.

PART 4: MONITORING AND EVALUATION FRAMEWORK

KZN Informal Settlement Upgrading Strategy: LOGICAL FRAMEWORK

Overall Goal / Vision	Indicators (Objectives)	Means of Verification	Assumptions
Living conditions within informal settlements in KZN are significantly improved (resulting from access to basic infrastructural services, secure tenure, improved shelter, and other social services) **and Municipalities include them more fully in their planning and servicing**	1. **The scale of delivery is significantly accelerated** through a range of appropriate informal settlement development responses (including access to basic infrastructural services, secure tenure, improved shelter, and other social services). 2. **More effective plans are put in place** at both provincial and municipal level in order to more effectively address informal settlement upgrading. 3. KZN DoHS programmes and grant instruments are remodelled and / or refined in order to **provide streamlined access to the necessary grant funding** for both the planning and implementation of informal settlement upgrading projects. 4. **Intra-governmental co-operation** is improved to enable better integrated service delivery. 5. **Capacity within the sector is strengthened** in order to enable effective delivery (i.e. within government, private sector and NGO's). 6. **Performance and delivery are effectively monitored and evaluated** in order to enable ongoing improvements to planning and delivery. 7. **More effective community participation and involvement** occurs. 8. **Suitable land is identified and made available** to for informal settlement residents	Refer to means of verification under 'Objectives' below	Refer to assumptions under 'Objectives' below

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
1. **The scale of delivery to informal settlements is significantly accelerated** through a range of appropriate and mutually supporting informal settlement development responses (including access to basic infrastructural services, secure tenure, improved shelter, and other social services).	1.1 Rapid rollout of interim and *emergency basic services and secure tenure*	➢ 76,200 households in informal settlement in KZN receive access to basic services and secure tenure by 2014 (through a mix of interim and emergency basic services and through municipalities formally recognising settlements) ➢ All remaining residents of informal settlements in KZN receive access to basic services and secure tenure by 2020	➢ Municipalities' project closeout reports to the KZN DoHS ➢ KZN DoHS annual monitoring report on basic services and secure tenure rollout ➢ KZN HSS	➢ UISP grant instrument can be streamlined (refer to objective 3 below). Alternatively USDG grant can be readily accessed by all municipalities (and not only accredited municipalities). ➢ DoHS preparation and planning funding is available to municipalities in order to enable them to procure the necessary outsourced capacity to undertake the up-front work necessary to accelerate the rollout. ➢ Municipalities rapidly inducted on the new KZN Informal Settlement Strategy
	1.2 Delivery of qualitative and *well located housing* for residents of informal settlements on a prioritised basis	➢ 20,000 well located top-structures for residents of informal settlements built by 2014. ➢ An additional 30,000 well located top-structures for residents of informal settlements built by 2020 ➢ Criteria developed and applied to by 30th June 2010 ensure that top-structure funding is applied to best located projects and in particular to ensure that low-medium density rural projects are excluded from this outcome ➢ KZN DoHS list of priority projects is reviewed semi-annually to ensure effective prioritisation of top-structure investment in the most appropriate projects in well located areas		

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
	1.3 *Densification* promoted where land is scarce and urban efficiency needs to be promoted	➢ At least 50% of I.S. upgrade sites developed with top-structures promote densification (e.g. through double storey attached units and more pedestrianised layouts).		
	1.4 *Relocations limited* and only undertaken when there are no better alternatives available	➢ All relocated settlements are first subjected to a formal assessment and report recommending the relocation, reasons for it, and why relocation is the best alternative ➢ Relocatees consulted during the relocations process	➢ KZN DoHS semi-annual monitoring report ➢ Municipalities project closeout reports	
2. **More effective plans are put in place** at both provincial and municipal level in order to more effectively address informal settlement upgrading	2.1 *Rapid up front identification, assessment and categorisation* of all informal settlements is undertaken to indicate their size, location and profile and to assign the appropriate developmental responses	➢ Municipalities finalise the assessment and categorisation on all informal settlements in KZN no later than 30th August 2011.	➢ Municipality's I.S. plans as provided to KZN DoHS ➢ KZN DoHS semi-annual monitoring report	➢ Protocols and funding rapidly available to Municipalities ➢ Quick and effective municipal procurement of service providers
	2.2 *Municipalities produce refined dedicated plans for informal settlement* based on the above assessment and categorisation , formally adopt them, include them in their HSP's and provide them to the KZN MEC for the DoHS	➢ Dedicated I.S. plans adopted by Municipalities, provided to the KZN MEC for the DoHS and included in HSP's no later than 30th September 2011.	➢ DoH report / checklist of municipalities who have complied / not complied (this being a provision of the Slums Clearance Act)	➢ Protocols and funding for Municipal I.S. Plans rapidly available to Municipalities from KZN DoHS ➢ Quick and effective municipal procurement of service providers
	2.3 *KZN DoHS produces a provincial Informal Settlement Action Plan linked to its MTEF* and this is	➢ KZN Informal Settlement Action Plan with MTEF allocation adopted by the KZN DoHS no later than 30th	➢ KZN I.S Action plan as disseminated by KZN DoHS	➢ Municipalities provide the following timeously

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
	included in its overall provincial plan for housing delivery	November 2011.		to the KZN DoHS: a) final categorisation of I.S.; b) their I.S. plans; c) their land acquisition plans for I.S.
3. KZN DoHS programmes and grant instruments are revised and / or refined in order to **provide streamlined access to the necessary grant funding** for both the planning and implementation of informal settlement upgrading projects.	3.1 *UISP subsidy mechanism operationalised* in KZN and necessary refinements made	➢ KZN DoHS clarification obtained on key UISP issues including flexibility on funding formula by 30th June 2011 and in particular: a) provision of interim basic services prior to land acquisition; b) increasing value of funding for UISP ph1 (interim services); c) non registration of beneficiaries of interim services; d) utilisation for emergency basic services where long term upgrading not viable. ➢ Internal DoHS clarification of application forms, application processes and tranching arrangements by 30th June 2011. ➢ KZN DoHS Municipal 'road-show' on UISP policy, procedures and regulations by 31st August 2010.	➢ DoHS Policy Communiques ➢ DoHS Policy Communique ➢ KZN DoHS mini report on road-shows and attendance registers of workshops.	➢ KZN DoHS able to put in place necessary refinements and obtain internal buyin and mandate
	3.2 *USDG mechanism clarified and budgetary implications for KZN DoHS MTEF assimilated* (including clarification on procedures, requirements, fund value, and payment routes)	➢ KZN DoHS clarification on USDG mechanism obtained by 30th April 2011. ➢ USDG information disseminated to Municipalities.	➢ Internal KZN DoHS report ➢ KZN DoHS Policy Communiques	➢ National DoHS and Treasury expedite USDG before the commencement of the 2011/12 financial year commencing 01 March 2011. ➢ KZN DoHS and

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
				Metro's / major municipalities are able to collaborate instead of 'competing' for funding and 'kudos'.
4. **Intra-governmental co-operation** is improved to enable better integrated service delivery.	4.1 *Buyin obtained from key government departments* for the KZN Informal Settlement Upgrading Strategy	➢ KZN DoHS Briefing document compiled and circulated to key Municipalities and provincial Departments (including Education, Health, Social Development and Transport) by 31st May 2011. ➢ KZN DoHS workshop held with key municipalities and departments by 30th June 2011 to identify strategic options and key actions to enable improved collaboration.	➢ KZN DoHS Briefing document ➢ KZN DoHS mini report on workshop and attendance registers ➢ Short action plan based on input from stakeholders ➢ *(Possible formal agreement between MEC's on key issues including planning co-ordination and budget allocation)*	➢ Other spheres of government take the process and issue of informal settlement seriously and have the necessary will and human resources to participate in the process.
	4.2 *Informal settlement project preparation and planning strengthened* to include key multi sector activities including: a) participative multi-sector practical action plans; b) local integrated spatial plans; c) multi stakeholder participation / invitation in preparation and planning processes.	➢ KZN DoHS UISP protocols or directives released by 30th June 2011 to reflect these multi-sector activities within the required scope of work for the preparation and planning of informal settlement upgrade projects	➢ KZN DoHS Policy Communiques ➢ KZN DoHS Policy directives	➢ KZN DoHS can rapidly expedite the protocols / directives. ➢

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
5. **Capacity within the sector is strengthened** in order to enable effective delivery (i.e. within government, private sector and NGO's).	5.1 *Toolkits for informal settlement responses refined, disseminated and work-shopped* within the KZN DoHS and with municipalities	➢ KZN Toolkit document released by 30th June 2011	➢ KZN Toolkits document	➢ Municipalities buyin to toolkits and make use of them ➢ KZN DoHS monitors regularly and holds Municipalities accountable
	5.2 *Preparation funding released* on a streamlined (quick) basis to enable municipalities to rapidly procure the necessary capacity in the critical initiation stages of projects	➢ KZN directive and protocols released by 30th June 2011 indicating process, criteria and timeframes for the release of preparation funding	➢ KZN DoHS Policy Communiques ➢ KZN DoHS Policy directives	
6 Performance and delivery are effectively **monitored and evaluated** in order to enable ongoing improvements to planning and delivery.	6.1 *Regular DoHS Reviews of its Provincial I.S. Action Plan* and regular adjustments / refinements made	➢ Semi annual review and adjustment of action plan and dissemination internally and externally	➢ Adjusted plan on a semi-annual basis	➢ KZN DoHS undertakes regularly M&E and puts in place the necessary capacity to do so ➢ Information is accessible from municipalities
	6.2 *Regular DoHS Reviews of Municipal performance* against there I.S plans and on project planning and implementation	➢ Semi annual review of Municipal Progress and production of summarised / combined report	➢ Semi-annual KZN DoHS progress report	
	6.3 *Regular Log-frame report-backs* made internally and to external stakeholders in respect of progress	➢ Annual and semi annual report back made internally and externally on progress against this Logframe	➢ Mini report against logframe by KZN DoHS	
7. **More effective community participation and involvement** occurs.	7.1 *Informal settlement project preparation and planning is strengthened* to include key participative activities including: a) participative multi-sector practical action plans; b) socio-economic profiles; c) participative settlement planning.	➢ KZN DoHS UISP protocols or directives released by 30th June 2011 to reflect these community participation activities within the required scope of work for the preparation and planning of informal settlement upgrade projects	➢ KZN DoHS Policy Communiqués ➢ KZN DoHS Policy directives	➢ KZN DoHS can expedite the necessary protocols / directives ➢ Municipalities make use of and implement the protocols ➢ KZN DoHS monitors regularly to ensure compliance and

Objective	Activities / Outcomes	Indicators	Means of Verification	Assumptions
				holds municipalities accountable
8. Suitable land is identified and made available to for informal settlement residents (both in-situ upgrading and green-fields)	8.1. *Municipalities identify well located land* for acquisition for informal settlement development (both in-situ upgrading and green-fields)	➢ Municipalities finalise land identification and acquisition plans by 30th September 2011	➢ Municipalities land I.D. and acquisition plans	➢ Municipalities are able to rapidly access the necessary funding from the KZN DoHS for these plans
	8.2. *Funding for land identification and acquisition is readily accessible* to Municipalities (including for associated professional work)	➢ KZN DoHS makes available a dedicated funding stream for land by 30th June 2011 (from the UISP and to be utilised for land identification, acquisition and associated professional work).	➢ KZN DoHS Policy Communiqués ➢ KZN DoHS Policy directives	➢ KZN DoHS able to rapidly put in place the necessary funding measures
	8.3. *Land with basic services is made available* to residents of informal settlements (both in-situ and green-fields)	➢ A provincial target for the acquisition of well located in-situ and Greenfields housing is produced by the KZN DoHS (based on municipal land plans) by 30th November 2011.	➢ KZN Semi annual report against target (released internally and externally)	➢ Funding readily available to municipalities ➢ Municipalities produce and implement their land I.D and acquisition plans

GLOSSARY & ABBREVIATIONS

BGD =	Biogas Digestor
CDM =	United Nations Framework Convention on Climate Change: Clean Development Mechanism
CFL =	compact fluorescent light
COGTA=	Department of Co-operative Government and Traditional Affairs
DBSA =	Development Bank of Southern Africa
DM =	District Municipality
DME=	Department of Mineral and Energy Affairs
DWAF=	Department of Water Affairs
Hh =	households
IDP=	Integrated Development Plan
IPP =	Independent Power Producer
KL =	Kilo litre (one thousand litres)
KZN =	KwaZulu-Natal
KWh =	Kilo watt hour (one thousand watts used for a period of one hour)
LUMS =	Land Use Management System
MBT =	Mechanical Biological Treatment
PACE =	Promoting Access to Carbon Equity
PPT =	Project Preparation Trust of KwaZulu-Natal
PV =	photovoltaic (power)
UDM =	uThukela District Municipality
USDG=	Urban Settlement Development Grant

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