



**Scaling Up the Upgrading of Informal Settlements:
A Scoping Study of South African Good Practices and
Innovations**

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Contents

Section 1: Introduction.....	3
1.1 Brief	3
1.2 Method.....	3
1.3 Informal settlements in the Metros: problem statement.....	3
Section 2: International Principles	6
2.1 Defining the upgrading of informal settlements	6
2.2 International trends in approaches to 'good' upgrading practices	7
2.3 Upgrading what? Core components of upgrading informal settlements.....	9
Section 3: Informal Settlements in South Africa – a Short History.....	10
3.1 Background to the early years.....	10
3.2 1980s-early 1990s: emergence of site and service developments.....	10
3.3 A new housing policy for South Africa	11
3.4 Breaking New Ground 2004	12
3.5 Implementation of the BNG vision, 2009 to present	12
Section 4: Innovative Practices.....	14
4.1 Innovative Planning Practices	14
4.2 Infrastructure.....	21
4.3 Top structures.....	23
4.4 Community participation	27
4.5 Reflections	29
Section 5: Constraints to and Preconditions for Scaling-Up.....	30
5.1 Section overview.....	30
5.2 Political will.....	30
5.3 Enabling environment.....	31
5.4 Resources	32
5.5 Capacity	32
Section 6: Preliminary Conclusions and the Way Forward	35
6.1 Key ideas emerging from this study.....	35
6.2 Next steps.....	35

Section 1: Introduction

1.1 Brief

This Scoping Report forms part of the City Support Programme's efforts to assist Metros to scale up the incremental and participatory upgrading of informal settlements. From the perspective of the CSP, the holistic address of informal settlements is a critical component of **building inclusive and sustainable cities**.

The purpose of this document is to undertake **a rapid review of the innovations** and good practices which align with the principles of 'good upgrading' as outlined in international literature. The point of departure of this Scoping Study is the recognition that there have been many innovations and pilot projects in informal settlement upgrading in South Africa. Local governments, provincial governments, NGOs, and communities themselves have made efforts to upgrade informal settlements. It is hoped that the findings from this rapid review will spark discussion, inspiration, and the desire to find consensus as to what constitutes good practice and how to overcome obstacles to upscaling by Metros in South Africa. Importantly, this report is not in any way an evaluation of performance of the upgrading programme but rather could provide input to informing policy and implementation practices in scaling up delivery.

1.2 Method

Within the context of a rapid review and given South Africa's long history of upgrading and innovation, it was not possible to cover all innovations and good practices. The aim, therefore, is to cover a wide **range of practice-based innovations** across various categories of components that comprise the upgrading process. The choice of categories (which also make up the structure of the report), was drawn from international literature on upgrading.

This scoping report is **based on desk-top** research only. Therefore, only documented projects and innovations are covered. There are therefore limitations and possible information bias, given that many innovations (particularly those in terms of institutional (re)structuring within the Metros), have not been well documented. Still others have been documented yet have not been assessed or evaluated for their impact or success. We therefore see this document as a **working paper**, intended for debate, discussion and to help towards technical implementation support. It is not the final say on what is (and is not) good practice and how upscaling can be achieved. An earlier draft of this Scoping Report was presented at a national workshop held in April, 2016. Input and feedback from this workshop have been included.

1.3 Informal settlements in the Metros: problem statement

South Africa's larger urban areas are home to the majority of economic opportunities and growth. The top 20 cities in South Africa contribute about 78% of South Africa's national economic activity and provide 73% of employment opportunities. The **eight metropolitan municipalities (hereafter called Metros)** host approximately 62% of national economic activity, 58% of all job opportunities, and 40% of the population (National Treasury, 2015). The functioning of urban areas is therefore core to the overall development of South Africa.

As population trends tend to respond to economic opportunities, the Metros are experiencing the majority of urban growth (HSRC, 2011). The fastest growing Metros, Johannesburg, Tshwane and Cape Town, experienced average annual growth rates of between 2.57 and 3.18 (StatsSA, 2011). Within this context, there is a growing demand for urban services. Metro governments are faced with the challenge of ensuring that growing populations are able to access housing, food, infrastructure, jobs and other necessities.

Undoubtedly, the government has invested substantially in urban areas and populations. For example, **over three million houses** have been built in South Africa since 1994. This mass scale construction is demonstrative of the state's efforts to meet the needs of urban populations, in particular those unable to access housing through formal market channels.

Despite this incredible investment, the **scale of delivery** is not meeting the demand. The cost of delivering new settlements has become increasingly unbearable, in particular for local governments. The per-unit cost has escalated from the original R12 500 per house to R160 500 in 2014 (Tomlinson, 2015). Moreover, the subsidy today only covers the construction of the top structure, with the land and service costs to be met by provincial and local governments. This has contributed to contraction in delivery from a peak of 235600 units in 1998/99 to some 106 000 units in 2013/14 (Tomlinson, 2015).

In addition to this challenge of delivery, the **modality of delivery** has caused growing problems for urban areas (CCDW, 2014). The long term operational costs of peripheral greenfield development are carried by the local government and the urban poor (Western Cape Government, 2013; FFC, 2011). The RDP housing model has been unable to build functional and integrated cities.

In 2011, **11.7% of households in the Metros lived in informal settlements** (Stats SA, 2011). This amounts to over 72 thousand households. In South Africa as a whole, there are approximately 2700 informal settlements. This represents a remarkable increase, compared to just around 300 informal settlements in 1994 (UN-Habitat, 2013). Given the economic projections for South Africa, it is likely that urban growth has and will continue to put pressure on the bottom-end of the market, exacerbating both the challenge of delivery and modality (Gardner and Forster, 2014). There is clearly a need to fundamentally rethink the approach, both to meet the growing urban demand and to ensure that urban areas develop in a functional and just manner.

The need to **upgrade existing informal settlements, rather than focus on developing greenfield housing projects**, is recognised (Cities Alliance, no date). The National Department of Human Settlements (NDoHS), has a specific programme (the Upgrading of Informal Settlements (UISP)) to upgrade informal settlements. This programme provides grants to upgrade settlements by providing planning, services and secure tenure to beneficiaries. The programme is supported by the National Upgrading Support Programme (NUSP). The Medium Term Strategic Framework (MSTF) for the NDoHS (2014 – 2019) intends to scale up the UISP. The MSTF has set a number of targets including upgrading 447 780 households by 2019 (cumulative from 2010), ensuring that 750 000 households in informal settlements have access to basic water, sanitation and road infrastructure and services, and the

assessment of 450 informal settlements through the NUSP (Gardner and Forster, 2014). However, recent studies show that the majority of upgrading projects mirror conventional housing delivery. This is referred to as ‘rollover and relocation’ upgrading. Despite emerging political support and some visible successes, informal settlement upgrading programmes have generally been implemented in a fragmented manner, on a modest scale, and in a top-down manner without communities driving the process (SAHRC, 2015; van Donk, 2014).

A critical challenge within this conventional approach is that more and more households see the city as their permanent home, while increasingly fewer qualify for subsidies for housing. It is recognised that many households living in the metropolitan informal settlements have retained their social connections, investing in rural areas, smaller towns, and other countries (Smit, 2006; Housing Development Agency 2013 pp 49). However, in recent years, this trend has been shifting. In a recent case study of two informal settlements, Posel and Marx (2012) found that 50 percent of interviewed households had **no intention of leaving the city** and are building largely urban social networks (Todes et al., 2010).

At the same time, within the Metro’s informal settlements, between eight and 15 percent of households **do not qualify for conventional top structure subsidies** on the basis of income alone (i.e. >R3 501 monthly household income) (Stats SA, 2011). The subsidy qualification threshold has not been increased with inflation. As such, fewer and fewer will qualify over time. Other factors, such as nationality, previous subsidy benefits, and (more recently) age, also impact on subsidy qualification. Smit (2006), in one case study of informal settlements, found that 49 percent of households did not qualify. The Housing Development Agency (2013) found that qualification varies dramatically, between 78% and 28% in their study cases.

Within this context, there is a need for innovations which focus less on converting informal settlements to conventional subsidised townships. There is clearly a need for upgrading which is *in situ*, community-driven, and incremental. This is particularly true for Metros where there is a scarcity of land and the greatest need (thus the need to get better returns on investment). To address this, this paper explores innovations in terms of planning, tenure, infrastructure and shelter which could form part of upscaling efforts moving forward.

Section 2: International Principles

2.1 Defining the upgrading of informal settlements

It is essential to begin any discussion on upgrading with a definition of informal settlements. The UN-Habitat (2015) defines informal settlements as:

“residential areas where 1) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing, 2) the neighbourhoods usually lack, or are cut off from, basic services and city infrastructure and 3) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas” (p. 1).

The Pretoria Declaration for Habitat III on the Thematic Area of Informal Settlements used the above definition of informal settlements (United Nations and Republic of South Africa, 2016, p. 1). This definition is useful for two reasons. First, it identifies the key components of informal settlements (and, in fact, all settlements). It draws attention to the **planning and land** including aspects such as land tenure and legality of the settled land; **infrastructure services** and facilities including both networked and social services; and **shelter** including the shape and nature of the physical structures which are inhabited. These have been useful in identifying the components of upgrading that this Scoping Report addresses. Second, it points to two core aspects or characteristics of informal settlements: **inadequacy and non-conformity**. Sometimes these two aspects align, however, given the often dated land and planning legislation, building codes, and plans in many developing cities, it is imperative to differentiate that which conflicts with formal legislation and rules from that which is fundamentally inadequate.

While informal settlements are not exclusively urban phenomena, the **challenge is most acutely felt in growing urban areas**. Jarque (2002 in Brakarz, 2002) writes ‘*informal areas are the most visible manifestation of a city's social inequalities*’ (iv). Informal settlements, however, are no longer seen as primarily the result of urbanisation and urban poverty. Instead, they are increasingly understood as complex articulations of:

- Urbanization and natural urban growth
- Insufficient supply of serviced urban land
- Economic vulnerability
- Weak urban/land governance and institutions
- Displacement resulting from violence, natural disasters and other factors

(Brakarz et al., 2002; Rojas, 2010; Fox, 2014)

It is important to recognise that these macro explanations for the development of informal settlements are incomplete without recognising the ingenuity and creativity of the urban poor, whose contribution to city-making is immense and without whose agency, such areas would not exist (Huchzermeyer, 2011; Appadurai, 2001).

“Informal settlement **upgrading**” is more difficult to define. Generally, it includes any intervention which is aimed at informal settlement communities or households which ‘results in a quantifiable improvement in the quality of life of the residents affected’ (Abbott, 2002: 307). “Upgrading informal settlements” tends to refer to organised NGO, donor, private sector, or state efforts. Well-documented government upgrading efforts include Sri Lanka’s Million Houses Programme and Thailand’s Baan Mankong. NGO driven efforts include the Orangi Pilot Project in Karachi, Pakistan and the efforts of Slum Dwellers International affiliates globally (Smit, 2016). As the World Bank notes, there is no ‘one-size fits all’ and local solutions and local implementation must be encouraged through a structured operating framework (World Bank, 2003).

2.2 International trends in approaches to ‘good’ upgrading practices

In 2016, the World Bank completed a review of nineteen ‘slum upgrading’ and affordable housing programmes in twelve countries (World Bank, forthcoming).¹ This study reflects an understanding that **many countries are making active efforts to address the challenge of human settlements** in a variety of ways. These efforts are often funded by national governments given their high costs and redistributive nature, however, local governments are generally playing a stronger role in implementation.

Compared to past practices, the nature of these efforts are changing. Once **focused on aggressive slum clearance and public housing provision, newer programmes are aimed at upgrading informal settlements and providing affordable housing finance** (Basset et al., 2003). Those countries and cities which continue to implement slum clearance programmes are facing a number of challenges including: increasing human rights and social mobilisation action; persistent informality and socio-spatial inequality; and high costs of resettlement (both for the urban poor and the state).

The World Bank study shows that successful approaches to addressing informal settlements combine **territorial-focused** (or area-based) upgrading programs with **cross-sector urban policy** and **institutional reforms** (World Bank, forthcoming). For broader affordable housing programmes (and for wealthier residents living in informal areas), **housing finance** is also central. These recent efforts represent more holistic approaches which understand informal settlements as integral parts of cities and towns.

For the state, the core tension in upgrading informal settlements is **balancing the need for economies of scale (broad-based, single sector interventions) and responding to locally driven, context specific solutions** (Basset et al., 2003).² While community-driven projects are

¹ Brazil (PAC-Favela and Minha Casa Minha Vida), India (Basic Services to the Urban Poor and Rajiv Awas Yojana), Indonesia (Neighborhood Upgrading and Shelter Sector Project), South Africa (Upgrading Informal Settlements Programme), Chile (Programa Chile Barrio and Programa Quiero mi Barrio), Colombia (Macroproyectos Mejoramiento Integral de Barrios and Programa De Mejoramiento Integral de Barrios), Morocco (Programme Villis Sans Bidonvilles), Tunisia, (Programme National de Réhabilitation Des Quartiers Populaires and Programme National de Requalification Urbaine), Bangladesh (Local Partnerships for Poverty Alleviation Project and Urban Partnership for Poverty Reduction Program), Ethiopia (Integrated Housing Development Program) and Vietnam (Vietnam Urban Upgrading Program).

² According to Basset (2003) the Chipata Community Water Supply Scheme implemented in Zambia only addresses the issue of water supply. This need was identified by the community. Some projects pick just a few

often more tailored to local needs, they are usually small in scale and their success is dependent on the alignment of a range of variables, including community organisation, institutional capacity and endogenous factors (World Bank, forthcoming). These are difficult to replicate at scale and take time, energy, and skills to design. In contrast, scaled national approaches which focus on a single sector or intervention often fail to respond to local needs, described as ‘one-size-fits-all’ or ‘cookie cutter’ approaches.

In practice, holistic and scaled upgrading requires multi-sector coordination (World Bank, forthcoming). This **coordination requires strong and carefully designed institutional arrangements** which can manage and integrate budgets, skills and capabilities, targets and timeframes, and conflicting procedures or mandates. A common method for overcoming ‘silo’ development is to establish a national integrated agency or entity. These entities tend to be more agile and flexible. However, when established at national level, they may also undermine local institutions and capacity building.³ Another option is for national governments to offer conditional funding, dependent on the implementation of local governance reforms. This is more likely to empower local government, but will exclude struggling or defunct areas, where investment might be most needed. Unfortunately, insufficient attention is granted to institutional reforms and coordination as these sorts of reforms are difficult to implement and do not yield visible results on the ground, necessary for gaining political support and validating spending.

Another critical component of upgrading is **public participation**. According to the World Bank (forthcoming), participation in ‘*project design, implementation, operation and maintenance is widely accepted to improve the overall quality, targeting and sustainability*’. It is well-recognized that upgrading approaches which are participatory are able to harness the knowledge and capabilities of communities, more than those which seek to impose a uniform upgrading policy or programme (Wakely and Riley, 2010).⁴ However, participation is often **time-consuming, costly, and easily hijacked by the local elite** and interest groups. For this reason, local governments are often wary about investing too much in participation processes.

Globally, most upgrading efforts have experienced severe challenges (Basset et al., 2003; World Bank, forthcoming). These challenges include limited scale, very little cost recovery, and post-settlement challenges (including operating and maintaining infrastructure and market gentrification). However, those countries and cities which have experimented nationally and locally, and have sought to learn from these experiments, have made substantial progress, such as Brazil, Chile, Thailand and South Africa (World Bank, forthcoming).

core aims, such as in Kenya where tenure security, road networks, and housing were the three pillars of the Small Town Development Project.

³ In Tunisia, for example, the nationally established Agence de Rénovation et de Réhabilitation Urbaine led the implementation of the national upgrading programme. While reaching over two million inhabitants, the programme was unable to capacitate the local government and to decentralise decision-making.

⁴ Incremental approaches allow for wider coverage than approaches which seek to provide higher quality end products (see for example South Africa’s housing subsidy programme or Ethiopia’s Integrated Housing Development Programme).

2.3 Upgrading what? Core components of upgrading informal settlements

There is a clear move away from seeing informal settlements as an urban problem in and of themselves. Instead these areas are seen as a solution to housing shortages in many cities; the ‘substantive issues’ faced by informal areas are increasingly the target of interventions. Within the literature, there are a number of areas or components which have been targets of upgrading interventions (Smit, 2016). These include:

- **Planning and land tenure:** In many cities, informal settlements do not have security of tenure and do not form part of conventional planning processes. This tenure insecurity can cause a number of crises including forced evictions, lack of community/ household/ and state investment, and lack of sense of urban citizenship (Durand-Lasserve and Royson, 2012).
- **Infrastructure:** Many informal settlements lack services and infrastructure. This includes networked services, such as water, sanitation, drainage, electricity, roads and transportation. In many informal settlements, these services are provided through informal channels at high prices. In addition to ‘hard infrastructure’, social services (health, education, and safety facilities), are also under catered. Most importantly, it is not only access to infrastructure that is important, but the design of this infrastructure. Appropriate design can contribute to place-making, community cohesion and livelihood creation. Likewise, unresponsive and crude design can hamper social and economic processes at local level.
- **Top structure/housing:** Shelter in informal settlements tends to be inadequate. This is due to low effective demand (i.e. low income and lack of finance) and the lack of incentives for households to improve their dwellings (either because they are renters or because they do not have secure tenure). However, most upgrading programmes do not seek to directly improve housing or structures, instead focussing on services.⁵ Importantly, adequate housing provides an important function, including protecting households from the elements and other dangers and creating social/economic and even financial assets for households. The design of housing typologies is also a critical part of urban densification and spatial formation, enabling, for example, vertical consolidation.
- **Community participation:** Community involvement is often seen as a means to an end, or a necessary ‘check box’ in development projects. However, the process of involving communities in the upgrading process requires special design and can, if done well, form a critical component of community capacity building, necessary for supporting the project and the settlement into the future (Cooke and Kothari, 2001; Cornwall and Brock, 2009).

⁵ Notable exceptions are South Africa’s housing delivery programme and Kenya’s KENSUP.

Section 3: Informal Settlements in South Africa – a Short History

3.1 Background to the early years

Informal settlements are not a new phenomenon in South Africa. They began to emerge in the 1940's and 50's in the major cities (Huchzermeyer, 2004, p. 95). With the establishment of the National Party in 1948, the focus was on **racial separation** and the forced removal of informal settlements to support the apartheid ideal of 'white cities'.⁶ Along with the removal of informal settlements, the state embarked on mass low-income housing projects located in areas that became known as 'black townships', which were located a far distance from the white cities. However, the supply of these houses did not meet the growing demand for accommodation in urban areas and the National Party enforced "influx control" through laws such as the Prevention of Illegal Squatting Act 52 of 1951 (PISA) to eradicate informal settlements (The Republic of South Africa, 1951).

3.2 1980s-early 1990s: emergence of site and service developments

In South Africa, the 1980s were marked by urban unrest and violent rejection of the apartheid system. The civic movements strengthened during this time and informal settlement communities found support in NGOs such as Planact, the Built Environment Support Group (BESG) and the Development Action Group (DAG)⁷ (Huchzermeyer, 2004, p. 118).

In response to this growing unrest, the President's Council developed a new strategy for urbanisation termed '**Orderly Urbanisation**'. The PISA was amended (introduced Section 6A) to allow for a new category of "designated areas"⁸ to be declared as permanent areas where the Group Areas Act, the Slums Act and town planning laws did not apply, providing a more flexible way to manage informal settlements at the time (Muller, 2013). This reflected a shift towards begrudging acceptance of some informal settlements under controlled circumstances.

An important part of this acceptance were the construction of large 'site and service schemes', in part borrowed from the World Bank approach of the 1970s. The **Urban Foundation (UF), a private sector think-tank, was instrumental in the design of this approach.** The UF's concept of site and service was to provide a layout plan of individual sites, with basic services (usually a pit latrine and water standpipes), and secure land tenure (Gardner and Forster, 2014, p. 125). In the larger projects, such as in **Inanda Newtown** in KwaZulu-Natal, the UF included advice centres, materials yards and training for small contractors.

The UF had a strong influence on the informal settlement upgrading approach that was later adopted by the Independent Development Trust (IDT), established in 1990 (Huchzermeyer, 2004, p. 119). The IDT housing model was to deliver sites and services through a capital subsidy instrument (Gardner and Forster, 2014, p. 16). The capital subsidy did not include a

⁶ In fact, forced removals resulted in 100 000 coloured and Indian people being removed from Cape Town between 1957 - 1960, 9 000 Africans being re-patriated to the Transkei and Ciskei each year for five years and the entire informal settlement of Cato Manor being removed between 1958 – 1960 (Huchzermeyer, 2004, p. 97).

⁷ BESG was formed in 1982 in Durban, Planact in 1985 and DAG in 1986.

⁸ The PISA already allowed for "Emergency Camps" and "Transit Camps" as temporary areas for settlement but this new Section 6A allowed for the more permanent development of informal settlements. Section 6A was introduced by the Abolition of Influx Control Act.

top structure but did provide a pit latrine, giving rise to criticism of ‘toilet towns’ by the civic movement (Huchzermeyer, 2001). Several large projects that tackled *in situ* upgrading were initiated, the largest being **Soweto-on-Sea** (up to 10 000 beneficiary families) in Port Elizabeth as well as **Bester’s Camp** in Durban⁹, which is hailed as the first big *in situ* upgrading project in South Africa (Huchzermeyer, 2004, p. 156).

The developmental NGOs mentioned above played a role in implementing these projects, albeit with a more participatory approach (Huchzermeyer, 2004, p. 119). Around the same time that the IDT was established there was an international meeting of network organisations doing grassroots work in informal settlements which led to the formation of the Southern African **People’s dialogue for Land and Shelter** (Bolnick 1993, cited in Huchzermeyer, 2004, p. 120).

3.3 A new housing policy for South Africa

In order to negotiate a new housing future for the new dispensation, the **National Housing Forum (NHF) was established in 1992**, comprising business, financial institutions, development organisations and political groupings (Huchzermeyer, 2004, p. 133). The government pledged funding to the NHF for a housing capital subsidy scheme, substantially similar to the IDT approach (except that it included funds for a basic top structure). The new democratic government’s 1994 Housing White Paper had as its cornerstone the housing capital subsidy scheme. The approach of providing single sites with services, land ownership (conceptualised as a title deed in most instances) and a modest top structure to beneficiaries, became the dominant mode of housing delivery to the poor. The quantitative target was to deliver 1 million of these houses in five years (Khan and Thurman, 2001, p. 3).

Under the (now defunct) Reconstruction and Development Programme (RDP), what came to be known as ‘RDP housing’ became a core focus of the state-subsidised housing delivery programme. This period also saw increased involvement of community development organisations such as the **Homeless People’s Federation**, but their impact was mostly in being able to influence improvements to the top structure construction (Huchzermeyer, 2004, p. 30) rather than changing the RDP housing delivery approach.

During the period, informal settlement upgrading was addressed through a focus on housing supply. The approach was (housing) product-driven, through a finite once-off intervention. It was intentionally focused on breadth, not depth or nuance. It was not socially driven or community-focused and provided little ongoing developmental support, as was being advocated internationally (Basset et al., 2003).¹⁰ In 2004, Huchzermeyer noted that “*in situ upgrading in South Africa has come to mean replacement of informal settlements with formal*

⁹ Van Horen (one of the implementers of Bester’s Camp, working with the Urban Foundation in the 1990’s) supported more pragmatic approaches that built on *de facto* circumstances in informal settlements, even at that time (van Horen, 2000)

¹⁰ In reflecting on this period, Khan and Thurman (2011) wrote that “The more time-consuming, process-oriented, and smaller scale delivery approaches (community and NGO-driven), have tended to be sidelined in favour of large-scale delivery” (p. 11). As Gardner and Foster explain “a growing recognition that rates of housing delivery achievable under the budgetary limitations would not meet housing backlogs, a lack of focus on the quality of construction and continued concern around the perpetuation of apartheid spatial patterns in the location of new settlements on the urban periphery” (Gardner and Forster, 2014, p. 16).

township layouts, standardised plots with freehold title and formal housing” (Huchzermeyer, 2004, p. 229). The conventional view was that informal settlements were seen as temporary phenomena to be replaced by government subsidised housing developments.

3.4 Breaking New Ground 2004

While international policies on informal settlement upgrading had already turned to acceptance of *in situ* upgrading and the positioning of upgrading in the wider policy objectives of poverty alleviation, reduction of vulnerability and seeking more inclusive approaches, these ideals only began to emerge in South Africa in the mid-2000's. They were influenced by international agencies such as UN Habitat, Cities Alliance and the UN Millennium Development Goals as the new government was party to many of the housing and poverty Accords.

In September 2004, Cabinet announced a new housing policy - *'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements'* (BNG). It brought a shift in policy away from a housing approach to a more comprehensive 'human settlements' approach. It included new housing (subsidy) programmes, in particular the Informal Settlement Upgrading Subsidy Programme (UISP) (Huchzermeyer, 2006, p. 45).

BNG explained the UISP as *"a phased in-situ upgrading approach to informal settlements in line with international best practice"* (Huchzermeyer, 2006, p. 46). The Housing Code was amended to include the UISP articulating the need for *in situ* and participatory upgrading (National Department of Human Settlements, 2009, p. 13).¹¹ Through BNG and the UISP, South Africa, for the first time, had a human settlements policy that explicitly addressed *in situ* and area based upgrading (Huchzermeyer, 2006, p. 59).

3.5 Implementation of the BNG vision, 2009 to present

Several pilot projects, such as the N2 Gateway project in Cape Town, were implemented in the early years of the UISP (from 2006) to test the Programme. However, the overall approach was not readily embraced by all municipalities. A range of efforts which commenced in 2009 assisted in elevating the upgrading agenda in the Metros. These included:

- **Outcome 8:** Outcome 8 set a target to improve *"the standard of services and tenure security to 400 000 households in well-located informal settlements by March 2014."*
¹² In addition, Outcome 8 sought to accredit a number of municipalities (namely the Metros), to perform housing functions. Outcome 8 has been replaced with new targets in the Medium Term Strategic Framework.
- **NUSP:** To support this new focus, the National Department of Human Settlements developed a support programme during 2009 with assistance provided by The Cities Alliance and the World Bank Institute.¹³ The National Upgrading Support Programme (NUSP) was launched in 2010. NUSP provides policy, technical and some financial support to municipalities that implement UISP projects. The initial focus was on

¹¹ The Housing Code explains that the key objective of the UISP is to "facilitate the structured in situ upgrading of informal settlements as opposed to relocation" and that settlement relocation is to be only considered as a last resort in exceptional circumstances" (National Department of Human Settlements, 2009, p. 9-13).

¹² See <http://www.upgradingsupport.org/content/page/history>.

¹³ See <http://www.upgradingsupport.org/content/page/history>

providing support to 48 municipalities (which included about 600 informal settlements) but this increased in later years to 51 municipalities (Gardner and Forster, 2014, p. 18).

- **Housing Development Agency (HDA):** With the increased need to upgrade, the HDA was also brought in as a support and implementation agency. Together, by 2015, the government's Programme of Action (PoA) reported that they had completed the assessment of 816 informal settlements in 62 municipalities and in the previous year 450 detailed Settlement Plans had been completed¹⁴. This PoA set an indicator of the number of houses and housing opportunities in informal settlements located in quality living environments with a target of 1,495 million housing opportunities in quality living environments to be provided by 2019.
- **USDG:** The Urban Settlements Development Grant was created as a Schedule 4 (supplementary) grant to support Metros in the provision of infrastructure. While the grant can be used for any capital investment priority identified by the Metros, informal settlement upgrading is a core target area (National Treasury et al., 2014).

These efforts represent a shift towards *in situ* city-driven upgrading approaches. They are aligned with and supported by the National Development Plan (NDP), the integrated Urban Development Framework and the new Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA) (The National Planning Commission, 2012, p. 256; United Nations and Republic of South Africa, 2016, p. 4). Significantly, and possibly signalling greater support for informal settlement upgrading by the government, is the UN Habitat III Pretoria Declaration on Informal Settlement Upgrading signed in South Africa with the National Department of Human Settlements as a co-host. It adopts an approach that recognises that informal settlements can only be effectively addressed as part of an integrated approach to sustainable urban development that has to take into consideration national policy frameworks, legal, financial and spatial aspects (UN-Habitat, 2016).

Despite all of these efforts, there remains resistance to *in situ* and participatory approaches. Implementers (and many politicians), continue to **favour relocation and rollover approaches, despite progressive policies and legislation** (Gardner and Forster, 2014, p. 32).

¹⁴ See <http://www.poa.gov.za/humansettlements/Pages/Progress-Reports.aspx>

Section 4: Innovative Practices

This section identifies innovative practices which have sought to embrace the principles of incrementalism, *in situ*, and participatory upgrading. These innovations have demonstrated alternative ways of addressing informal settlement upgrading – in contrast to South Africa’s dominant approach. This section is broken down into four sections:

- Planning and land tenure
- Infrastructure and services
- Top structure
- Community engagement

4.1 Innovative Planning Practices

Planning as a discipline embraces three main areas – spatial planning and plan making, land development processes and land use regulation. Each of these areas will be explored for innovation in upgrading approaches. Following the planning innovations, land tenure innovations will be discussed.

Spatial planning

- **Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA) requirements in Spatial Development Frameworks (SDFs):** The Municipal Systems Act 32 of 2000 (The Republic of South Africa, 2000), saw the introduction of Integrated Development Plans (IDPs) and Spatial Development Plans (SDFs) in municipalities. However, there has been much criticism of the inability of these instruments to bring about real spatial transformation in our cities¹⁵ not least, the absence of planning for informal settlements by including them in SDFs. The Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA), now requires a municipal SDF to include “*the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable*” (S21(k)). So, informal settlement upgrading areas can no longer be ignored or hidden but must explicitly be identified and included in the SDF of the municipality and hence be planned for.

Land Development Processes and Procedures

South Africa has a track record of attempting to develop streamlined development procedures for the upgrading of informal settlements by the introduction of laws that provide alternative development procedures in recognition that the formal, legalistic development procedures are time-consuming, lengthy and have many legal requirements. While many of these laws are now removed from the statute books, they do represent innovations that were a departure from the conventional, Ordinance-based¹⁶ land development laws, including:

¹⁵ See for example, *Planning and Transformation: Learning from the Post-Apartheid Experience* By Philip Harrison, Alison Todes, Vanessa Watson.

¹⁶ South Africa’s urban planning and development laws were based on four Provincial Ordinances in the apartheid era and these have carried over and will be replaced once SPLUMA is fully enacted.

- **The Less Formal Establishment Act**, Act 113 of 1991 (LFTEA)¹⁷: LFTEA included procedures for “*less formal settlements*” in Chapter 1 that allowed existing laws that would hamper development to be suspended, creating a streamlined process of land development in cases where there was an “*urgent need to obtain land on which to settle in a less formal manner*” (Republic of South Africa, 1991). It was applicable to the upgrading of informal settlements.
- **The Development Facilitation Act 67 of 1995**¹⁸: In terms of *in situ* informal settlement upgrading, the DFA made similar provisions to LFTEA to suspend any dilatory laws relating to land development but it went further to explicitly allow for a development to be exempt from any of its provisions once an investigation into the “*non-statutory land development processes*” or informal settlement had been undertaken¹⁹. It also allowed for building regulations to be suspended in such areas and for a new form of tenure called ‘**initial ownership**’²⁰.
- **SPLUMA**: The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) will see municipalities pass their own planning bylaws whereby “*land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas.*”²¹ SPLUMA is innovative in that it explicitly supports incremental upgrading approaches and compels municipalities to address this.

Non-Statutory Land Development Innovations

Most informal settlement occurs outside of statutory laws and upgrading support is often provided to these communities through CBOs and NGOs using innovative planning and development mechanisms, rather than following existing legal procedures.

Included in this section are innovations such as managed land settlement, re-blocking and superblock planning, community mapping, enumeration and community surveying:

- **Managed Land Settlement (MLS)**: MLS was pioneered by Afesis-corplan and the Landfirst campaign in the Eastern Cape. MLS is an innovative development approach that encourages settlement of new land in an organised manner so that upgrading can occur in the future (Afesis-corplan, 2012, p. 12). It is first and foremost an incremental approach to development and a proactive solution to land access by the poor (Landfirst, 2010, p. 1). It allows a community to settle in a planned way²² on the land before title, services and houses are provided. MLS is essentially a two-step land development process that is innovative in that beneficiaries play a central role, guided by professionals, in the layout planning of the land and allocation of sites and determination of the standards. Tenure security is ensured upon settlement but it can be

¹⁷ This legislation followed the Land Reforms of the apartheid government in 1991¹⁷ (Republic of South Africa, 1991) but was nevertheless a new approach at the time.

¹⁸ With the introduction of the new, democratic government in 1994, and in order to achieve the target of one million subsidised homes in five years (Shisaka Development Management Services, 2011, p. 7), the Development Facilitation Act 67 of 1995 was promulgated (The Republic of South Africa, 1995).

¹⁹ See section 42 of the DFA.

²⁰ See section 62 of the DFA.

²¹ See section 7(v) of SPLUMA.

²² Based on an explanation in <http://sasdialliance.org.za/city-of-cape-town-adopts-reblocking-policy/>

upgraded (to more formal forms) in the second phase of formal land development. A successful example of this was the development of iCwili Phase2 in the Great Kei Local Municipality. Additionally, this MLS project also introduced Occupation Certificates for residents (Kabane, 2012, p. 38), issued by the Great Kei Local Municipality – another innovation, but this time in incremental tenure (and discussed in a later section of this report), outside of formal or legal forms of tenure evidence.

- **Settlement ‘Reblocking’:** Reblocking, also called ‘intra-settlement’ re-blocking or ‘blocking out’, is an approach that does apply in *in situ* settlement upgrading. It has been promoted by the Slum Dwellers International (SDI) in South Africa²³, and CORC. Re-blocking is a community-driven process to reconfigure and reposition shelters that are densely located within an informal settlement according to a plan prepared and agreed upon in the community²⁴. Generally, the re-clustering of the shelters results in better utilisation of space, often around a courtyard that the community can all use. These courtyards are also called dignified public spaces.²⁵ The ISN/FEDUP/CORC Alliance advocated reblocking for several years to the City of Cape Town and has promoted their approach with other municipalities including the Nelson Mandela Bay Metropolitan Municipality (NMBMM) to achieve a similar outcome in the City of Cape Town.²⁶ Similarly, in Johannesburg the SDI/FEDUP²⁷/CORC²⁸ alliance supported a community in Ruimsig to undertake re-blocking²⁹ and the mayor, Mr Parks Tau, indicated that this is an innovative project that will be rolled out in other informal settlements³⁰.
- **Proactive Re-blocking of Informal Settlements (City of Cape Town):** The City formally adopted a “Proactive Re-blocking of Informal Settlements” Policy on 30 October 2013. Going hand-in-hand with this was a Partnership Accord with the City which was cemented through a Memorandum of Understanding³¹ and the agreement to pilot 23 projects using the partnership approach, some of which were re-blocking projects. The Urbanisation Department of the City is the main driver but the policy is clear that all other City Directorates have key roles to play³², not least of all allocating

²³ The SA SDI Alliance.

²⁵ Community-implemented re-blocking initiatives are often combined with other innovative elements such as women’s or community savings schemes that raise contributions towards re-blocking, job-creation through the Expanded Public Works Programme (EPWP) of government which sustains livelihoods in these impoverished settlements and the rebuilding of shelters using fire-resistant materials. It is not seen as formal upgrading (i.e. using a law or initiated through a government subsidy programme) but rather as a way to improve living conditions and mobilise communities towards future (formal) upgrading by the municipality.

²⁶ See <http://sasdialliance.org.za/moeggesukkel-community-in-port-elizabeth-maps-out-settlement/>

²⁷ FEDUP is the Federation of the Urban and Rural Poor.

²⁸ CORC is the Community Organisation Resource Centre.

²⁹ See <http://sasdialliance.org.za/projects/ruimsig/>

³⁰ See interview by Nick Mitchell, 27 October 2014 <http://cities-today.com/interview-with-mpho-franklyn-parks-tau-mayor-of-johannesburg/>

³¹ See the article on <http://sasdialliance.org.za/city-of-cape-town-adopts-reblocking-policy/>

³² This is clear from the following quote “This Policy has transversal implications and demands that City line departments responsible for informal settlements service provision, human settlements, storm water, roadways, community services, greening the environment, spatial design, zoning, fire and safety education, urban renewal and environmental health, are involved in its implementation” (City of Cape Town, 2013, p. 8).

budgets and doing ongoing maintenance and operations in these project areas³³. Hence, re-blocking began as a community-driven initiative through SDI/FEDUP with support from developmental NGOs and has grown into an institutionalised policy within one of the large metropolitan municipalities in South Africa.

- **Community Mapping:** Both Managed Land Settlement and Reblocking initiatives include elements of community mapping. Here the community works with the NGO or CBO, often guided by a professional, to prepare a layout of the settlement. This co-production approach can lead to empowerment of the community. This approach is used widely internationally with examples in Asia³⁴, Latin America and Africa. It is an approach that is promoted by SDI and the SA SDI Alliance in South Africa and has been used in Cape Town, even assisting the City to install electrical connections in informal settlements.³⁵ The VPUU used this approach in Monwabisi Park to prepare a Spatial Reconfiguration Plan (SRP) based on superblocks and neighbourhood blocks. This plan enabled utilities such as Eskom to extend services along the main roads and to households and was the basis for engaging with the City to initiate a formal development process and also to provide residents with Certificates of Tenure (VPUU, undated, p. 194;195). In Spring Valley, Emalahleni, the community has just completed a community map with the assistance of students from the University of the Witwatersrand³⁶

Land Use Management Approaches

This is the third component of planning and focuses on zoning or town planning scheme instruments. It is significant that SPLUMA directs municipalities to prepare unitary land use schemes that explicitly include provisions “*that permit the incremental introduction of land use management and regulation in ...informal settlements...*”³⁷

- **The City of Johannesburg’s Regularisation Programme:** One of the key constraints to informal settlement upgrading in South Africa has been the inability to extend services or other municipal or state services onto un-proclaimed land or to settlements that are ‘illegal’.³⁸ Additionally, many informal settlements have insecure tenure and occupants live under the threat of removal. To address both these important issues, the City of Johannesburg developed an approach called “Regularisation”³⁹. It focused on the regularisation of land use by securing the land status through the designation of informal settlements that are suitable for *in situ* upgrading as areas called “Transitional Residential Settlement Areas” (TRSAs) in terms of the Zoning Scheme for the area. The land use of the informal settlement would no longer be illegal and the City service

³³ See Section 5, pages 7 – 11 of The Proactive Re-blocking of Informal Settlements policy 13282 (City of Cape Town, 2013).

³⁴ See Archer article (Archer, 2012).

³⁵ See <http://sasdialliance.org.za/know-your-city-why-community-collected-data-on-informal-settlements-is-needed/>.

³⁶ Discussions with Mr Mike Makewela, Planact.

³⁷ See section 24(2(c)) of SPLUMA.

³⁸ Ostensibly due to the Municipal Finance Management Act (MFMA) 56 of 2003.

³⁹ This term was used to distinguish it from ‘formalisation’ or the conventional, formal land development process, mainly because it was intended to officially recognise and declare settlements suitable for this incremental approach.

departments could proceed with servicing and other investments to unlock upgrading. The regularisation approach is not unlike the ‘Zones of Social Interest’ (ZEIS) in Brazil, which informed the City of Johannesburg approach. ZEIS are declared over informal settlements or favelas to allow for special land use regulations to apply (Budny, 2007 pg 3) The City’s regularisation approach therefore had its origins in a land use regulatory approach. It was a city-wide approach and was part of a wider City Upgrading and Formalisation Programme. In a report to the Mayoral Committee in April 2008, the Department of Development Planning and Urban Management (DP&UM) of the City explained that *“The concept behind the approach is to bring previously-excluded informal settlements into the City’s regulatory framework and afford residents in them certain rights in land and access to services while proceeding on a trajectory towards full integration and development as sustainable suburbs of the City.”* (City of Johannesburg, 2008, p. 4). The mechanism introduces a definition of a TRSA across 13 Town Planning Schemes in the City (where the settlements were located) and includes Scheme clauses that would set out the “rules” that apply in those areas (City of Johannesburg, 2008, p. 4). This was formally gazetted in the Provincial Gazette 1059 on 24 June 2009 as Amendment Scheme A9999, leading to the declaration of 25 land portions as TRSAs (Provincial Gazette, 2009). This Amendment Scheme approach is very innovative and extends beyond planning interventions to include dedicated institutional structures (a Steering Committee reporting to the Mayor), tenure security and reduced building standards.⁴⁰ There are significant lessons that can be learnt from this ground breaking Regularisation approach.⁴¹

- **Zoning:** Zoning of informal settlements in the City of Cape Town, using the Single Residential 2⁴² zoning in terms of the City’s Integrated Zoning Scheme, was developed specifically for regulating informality in terms of health and safety (Urban LandMark,

⁴⁰ In summary, it includes: A basic layout plan (a spatial plan to guide the installation of infrastructure; and for the location of social and community facilities; as well as a spatial record of structures and land use and a street address for the site); A means to identify households and sites and record their presence (through a survey and a register of households); Incremental building controls (building materials and density regulation for health and safety); Incremental land use regulations that would apply once the settlement had an approved basic layout plan. These land use regulations began to introduce procedures for applying for economic land uses (for example, trading sites and taverns), for buildings higher than one storey, and for new structures to be built; Blanket (area-wide) land tenure which could be upgraded by issuing the occupier with an “occupation permit for a residential unit” (Abrahams, unpublished).

⁴¹ The lessons include: the programme (regularisation) took a programmatic approach; It had high level political support; It created integrated, inter-departmental institutional structures and an implementation unit; It incorporated a strong incremental approach to planning, land development, land use management and regulation, buildings and tenure security and does not rely on formal township establishment (formal development) procedures which can be protracted and expensive; It unlocked a range of development activities through the declaration of the area as a TRSA – i.e. by giving the area a legal status; It allowed for basic services to be legally provided by the municipality and its service entities; It can be used for in situ upgrading and site and services or any informal settlement that will exist for a long time before being relocated (Abrahams, 2013, p. 25-30). Importantly, this programme lends itself to upscaling and in fact, is an up-scaling approach, as multiple areas can be proclaimed as TRSAs and the rules applied simultaneously to provide a framework for individual upgrading projects.

⁴² Single Residential 2 is a zoning category that is tailored for incremental development and can apply before formal land development procedures are undertaken. It provides flexible land use conditions such as livelihood activities on the residential site and the non-applicability of building regulations while an informal shelter is on the site.

2013a). It can apply across the whole settlement in a blanket way and to each site once the layout plan is formalised and approved.

Tenure Security approaches

Providing tenure security has been an important element of informal settlement upgrading projects internationally and has been an explicit goal of organisations such as UN Habitat, Slum/Shack Dwellers International and Cities Alliance (Basset et al., 2003). It has been argued as the key to settlement and housing consolidation by protagonists such as Turner (Turner, 1972) and de Soto (de Soto, 1986). Ward (2003) observes that few countries seriously and systematically engage in land tenure reform. Exceptions include Peru, Mexico, Egypt, Tanzania and Senegal which have developed significant land titling programs. However, internationally, there have been policy shifts away from large-scale titling approaches towards programmes that give occupants **tenure security** (Basset et al., 2003).

South African upgrading approaches have mirrored these earlier trends to some extent and housing policies for the poor have an emphasis on delivering individual title deeds to beneficiaries. In fact, the national housing subsidy programme can be considered to be a land titling programme and has resulted in wide-scale title deeds being provided to beneficiaries who had not had them before. South Africa has few examples of programmes that are based on the later international ‘tenure security’ approaches and programmes that are based on achieving tenure security using more innovative mechanism, are difficult to find. However, there have been academic and practical contributions to providing alternative means of securing tenure through administrative recognition or community practices, influenced largely by advocates of this approach such as Urban LandMark, LEAP, SERI and others. This tenure security approach is gaining in influence by being incorporated into the NUSP programme and the KZN Informal Settlement Upgrading Strategy (Project Preparation Trust, 2011). This tenure recognition approach includes:

- **Incremental Tenure Security Approach:** Urban LandMark’s Tenure security research and advocacy division developed an approach to incrementally secure tenure in informal settlement upgrading (Smit and Abrahams, 2010). It is innovative in that it builds on many concepts from both the advocates of titling and tenure security (Smit and Abrahams, 2010, p. 10). Royston elaborates on the approach in several more publications (Royston L., 2013; Royston and Durand-Lasserve, 2012).⁴³ The approach sets out a number of steps linked to the upgrading developmental process and provides residents first with administrative tenure recognition.⁴⁴ Later this can be legally recognised through formal, legal instruments such as the Regularisation approach used by the City of Johannesburg and ultimately developed using conventional land development laws and more formal tenure delivered in the form of title deeds.

⁴³ The incremental approach is based on concepts such as: Tenure security along a continuum from insecure to very secure (formal) tenure; Incremental tenure; Passive and active tenure security; Official recognition of tenure – legal and administrative mechanisms; Building on local land tenure practices and opening up many routes to tenure security (Smit and Abrahams, 2010).

⁴⁴ Through, for example, municipalities undertaking activities such as mapping, enumeration and recording of households in a local register or list, issuing an occupation letter or certificate as evidence of tenure (optional) and providing emergency infrastructure services.

- **Community-driven Enumeration and Survey:** Enumeration and shack numbering in particular, have been used in upgrading over many years and in several countries including South Africa, but was often motivated by the need for authorities to control and restrict the growth of settlements. More recent approaches to enumeration and socio-economic surveys are ones that are community-driven, locally empowering and participative. They provide tenure security when recognised by authorities. Examples of community-run surveys include the VPUU approach in Monwabisi Park, which also gathered economic and job-related information to help with livelihood creation (Urban LandMark 2013b). Local residents are capacitated to undertake a door to door survey. In more sophisticated approaches, the shack numbering is linked to a GPS point and the survey information per household is attached to the GPS location, also enabling a community map and a register to be compiled, for example in the above mentioned Monwabisi Park and in Happy Valley in the City of Johannesburg (Abrahams, 2013). The South African SDI Alliance and FEDUP have been using this approach for some time and are populating databases on informal settlements through this process.

Tenure Evidence

In order to enhance tenure security, many informal communities, often assisted by local NGO/CBOs, have been able to obtain local forms of tenure evidence. There are several innovations in this regard in South Africa, some which have government endorsement and others that are locally legitimate. These include forms of evidence such as:

- **Certificate of Occupation:** issued by the municipality or the Provincial Administration: this has been proposed in the City of Johannesburg's regularisation approach but has been implemented by the City of Cape Town in several instances. The issuing of Certificates has been built into their Proactive Re-blocking Policy (City of Cape Town, 2013) and the Greater Kei Local Municipality has also issued Occupation Certificates to residents in the iCwili settlement (Afesis-corplan, 2012, p. 39; Kabane, 2012, p. 38). VPUU proposed Certificates for the *in situ* upgrading of Monwabisi Park (VPUU, undated, p. 189).
- **Tenure Evidence/Documenting transactions:** In a scoping study on local land registration practices, Urban LandMark identified several local practices that provided evidence of tenure security (Royston and Rubin, 2008, p. 7), including:
 - In Folweni settlement in KZN, evidence was provided unofficially by **letters** from the Councillors or sales receipts after the register and official Permission to Occupy certificates fell into disuse.
 - In Kennedy Road in Durban the community kept a **register** of occupants and transactions. The painted numbers on the shacks also add to tenure security and transactions are locally witnessed.
 - Motala Heights in Durban is an example of a **register** maintained by the eThekweni Municipality.

- **Incremental, legally-based tenure:** The provisions in the Development Facilitation Act 67 of 1995 (DFA) for a “Registration Arrangement⁴⁵” and “Initial Ownership”⁴⁶ are an example of innovation. These were seen as upgradeable tenure solutions that did not initially have to comply with the onerous provisions in the Land Survey Act 1927 and the Deeds Registries Act 1937. Importantly, Initial Ownership represented a breakthrough in being able access mortgage finance without having full title deeds.

4.2 Infrastructure

In conventional upgrading projects, infrastructure is generally delivered using the standards and norms set at city-scale. Each department involved in infrastructure, from education and health to roads and water, have norms and standards which can be applied - some of which are recommended by the plans and others which are based on departmental designs.

These norms and standards, while important for ensuring that communities receive tested and reliable infrastructure, can often hamper *in situ* upgrading projects. These approaches tend to require de-densification and sufficient bulk capacity for conventional implementation. They tend not to utilise principles of sustainability, allow for alternative technologies, or create local jobs. This review identified three core areas where innovation in terms of service delivery is apparent. These include: off the grid technologies, quality shared services, and joint livelihood-service delivery programmes.

Off the grid

Innovations which seek to use localised infrastructure and do not rely on networked systems represent an innovation and at times these solutions offer opportunities to work incrementally. The innovations are not constrained by conventional infrastructure or non-conventional settlement layouts. The following innovations are but a few of the recent technologies which have sought to move from prototype phase, to integration with communities and local practices. These technologies might not be exactly ‘right’ for all contexts but demonstrate some of the possibilities:

- **Solar power:** The I-Shack is a good example of a modular home electricity system which operates on a fee-for-use basis. It allows for provision of electricity to shacks for home use, off of the conventional grid. The I-Shack system currently serves 1500 clients in an informal settlement in Stellenbosch (Swilling et al., forthcoming). In order to enable to project to work, the support Sustainability Institute has to amend the municipal Indigent Policy so that the grant could be used for anyone living in a shack

⁴⁵ A registration arrangement relies on qualified professional land surveyors and conveyancers certifying that beacons are located in a way that will not prevent a general plan being approved in the future and that a register conforming to the requirements of the Deeds Registry is also possible in the future (Republic of South Africa, 1995, p. 70, 72).

⁴⁶ See sections 60 and 61 of the DFA. Initial ownership provides a certificate to the owner as an interim step before the full title deed is registered. Initial ownership confers several rights to the holder including the right to occupy and obtain a mortgage, the right to sell and the right to convert it to full ownership (The Republic of South Africa, 1995, p. 72, 73).

(simplified screening process) and so that the subsidy for basic services could be used for off-grid provision⁴⁷.

- **Waste processing:** Bokashi food waste processing is a good example of composting innovation in informal settlements. Much of the waste in residential areas is food waste, thus reducing overall waste substantially. The community of 80 residents built and operated a digester to address compost-making in the community. This had the additional benefit of lowering the amount of trash generated in the settlement (Swilling et al., forthcoming).
- **Toilet:** A unique water-less toilet was tested in Enkanini (Seeliger and Turok, 2014; Swilling et al., forthcoming). It is shared by five neighbours who came together through self-organisation. The health and community education officers (employed by the City) and the caretaker appointed by the City for daily management (they are paid by the City), form part of the pilot institutional structure.
- **Recycling co-op:** In Hout Bay's largest informal settlement (Imizamo Yethu), there is a group of local entrepreneurs who have established a recycling cooperative⁴⁸. Given the difficulty of getting big trucks down the narrow lanes, they go from house to house collecting from fee paying residents. They receive no money from government and have only received land on which they operate their sorting. With very little support they serve a very important function.
- **Negotiated 'off grid' standards:** There are many examples where non-conventional standards are used to enable higher densities. One is in the VPUU upgrade where it was negotiated that footpaths could be considered 'roads' and thus included on maps (given that most people used walking as a dominant mode of suburban travel). While footpaths are provided in many informal settlements, ensuring that the city saw these paths as real parts of urban mobility (and part of the road or mobility hierarchy), was essential to ensuring alternative standards of infrastructure are taken seriously and incorporated into city-planning, investment, management, and maintenance programmes.

High quality public services

The idea of providing shared services in informal settlements is neither new nor creative. However, the idea of providing shared services which are high quality and form part of urban 'place-making' is very innovative and stands in contrast to the perceived need to jump from no-services to individual full services in one go. In line with the need for more incremental development, this section looks at a number of examples of how shared services have been used:

- **Shared service blocks:** There are a number of cases where services, such as sanitation and water, have been delivered through the use of shared ablution blocks. Efforts in eThekweni represent the largest scale example. In Durban, prefabricated toilet blocks (containers) as well as the repair of defunct blocks formed part of a 350 block project – representing an effort between Health, Sanitation and Housing Departments in the

⁴⁷ This finding is based on personal communication with Andreas Keller, one of the leaders of the I-Shack project, in February 2016.

⁴⁸ This finding is based on interviews collected for the Circular Economies Research Project for the African Centre for Cities. Interviews were conducted in March, 2016.

municipality and utilising the USDG funding (Sustainable Sanitation Alliance, 2010). In the Western Cape, a similar effort was made in Langrug to create a shared shower, washing, and toilet facility for the community (CORC, 2013).

- **Place-making public realm interventions:** There are two important examples where the focus of improvement has been on the creation of a high quality public sphere. These interventions are very innovative, standing in contrast to the usual focus on housing and lack of attention to the making of the public urban fabric. There two examples include the Violence Prevention through Urban Upgrading's (VPUU) approach to the development of high quality and safety focused investments in nodes, roads, footpaths, active boxes, libraries and similar shared infrastructure (see Ugur, 2014 and Bernal, 2015). Similarly, the Dignified Places Dignified Spaces programme undertaken in the City of Cape Town also aimed to develop areas with a focus on public space (Daniels et al., forthcoming). The former learned from the latter and represents the most involved and dedicated approach to investment in the making of high quality public realms in informal settlements.

Livelihood creation

Within conventional systems, infrastructure services are either taken care of by households themselves or contracted out to large scale service-providers. There is a growing recognition that within incrementally developing informal settlements there is a joint need for meaningful job creation at local level, and models of service delivery which can work with the fine grained semi/informal fabric of settlements. Within all of the above local level service approaches, there are opportunities for local livelihood production – meaningful employment through providing essential services. There are a number of innovations in the way the state can work to support and scale up livelihoods as part of upgrading generally and service provision, management, and maintenance specifically:

- **In-kind support:** The case of Hout Bay informal settlement as well as others shows that there are ways in which the state can support the existing livelihoods of informal settlement entrepreneurs by providing them with land or other in-kind benefits. In the case of Hout Bay Co-Op, the City gave a small piece of land where recycling could be sorted. During upgrading, the state should seek to understand the informal provision dynamics and design to support these processes.
- **Expanded Public Works Programme (EPWP) and Community Works Programme (CWP):** Many of the above projects required that the state pay people to perform services in the community. Participation in EPWP and CWP has grown significantly in South Africa with over 1 million people having participated in the EPWP as at 2008 (Meth, 2011). It is unclear how many have been part of the CWP (Philips, 2009). However, it is clear that these programmes provide important income-generating opportunities for the poor (Daniels et al., forthcoming).

4.3 Top structures

From many perspectives (social, political, economic, environmental and community), a shack is not an acceptable standard of housing structure. However, there is an increasing realisation that it is not feasible or desirable for the state to provide a 40m² house, free of cost to

households. As Foster and Gardener (2014) note that *'The outcome of the state-dominant approach is that it can limit households and communities from playing a meaningful role in shelter development'* (p. 39). There is a need for interventions which sit between these extremes (i.e. harness households' own contributions to their housing). This section includes four types of innovations which seek to experiment with alternatives, including demand-side instruments, market developments (facilitation), partial housing improvement, and vertical consolidation (to address the challenges of density).

Demand-side instruments

Over the years, many initiatives have been developed which seek to enable households to fund the construction of their home incrementally using instruments which support their effective demand. These advances have often filled the gaps where traditional mortgage products, provided by the four major banks, have fallen short (UN-Habitat, 2008):

- **Collective savings:** Savings practices are often linked to community processes (rather than individual households). Two examples are the Federation of the Urban Poor (FEDUP) / Utshani Fund (which forms part of the SDI suite of interventions) and the more home grown *stokvels* (Foster and Gardener, 2014). Both of these are essentially collective lending programmes which link to community savings schemes and which have very low interest rates or no interest rates.
- **Finance:** On the finance side, there have been a range of good practice innovations which have sought to provide micro-finance to households. The best known example is the Kuyasa Fund (Houston, 2010). A more recent example is Lendcor. Both offer medium size loans (approximately R5 000) to households for incremental construction (Foster and Gardener, 2014). Lendcor has also produced a 'Builders Handbook' which is available to clients to assist them in the home building process. In contrast, Kuyasa undertakes rigorous screening and savings programmes. In order to qualify, households must show that they are able to save and will be able to pay back the loan. However, Kuyasa does not monitor or assist borrowers in terms of building (such as Lendcor does). Importantly, many material suppliers also offer credit directly to households. A recent study on Delft (Affordable Land and Finance Centre, forthcoming) found that some suppliers offer up to R200 000 in credit.
- **Cash/vouchers subsidies:** The distribution of vouchers, while still placing the cost burden on the state, does not require the state to be involved in direct supply, thus allowing choice and the formation of a market for housing goods and services. In the early upgrading programmes of the 1990s, vouchers were given to households (for example in the Southern Pinetown, Zilweleni project) (Smit, 1998). These vouchers could be used by beneficiaries to buy materials to build their homes and were partially managed by a local NGO. Monitoring the use of these vouchers proved important as later efforts to use vouchers (in the form of the Individual Subsidy) showed that many households often spent the money on non-housing expenses (Public Service Commission, 2003).

Market development support

South Africa has a long history of assisted self-help and support for self-building (much of which is based on the PHP model). Self-building, in this context, does not mean that the household themselves must build the house, but that they are actively involved in the building process. Many of the innovations in terms of building support were tested during the IDT programme or through PHP. Some important practices include:

- **Building support centres:** Building support centres have been more consistently established and supported under the PHP (see for example the review by the Urban Sector Network in 2003). One of the most successful and well-documented cases is the upgrading of Masithembane People's Housing Association, Homeless and Squatters Housing Project (HOSHOP) and Sinako Ukuzenzele (Foster and Gardener, 2014). Housing Support Centres (HSCs) were often established, supported by staff members consisting of Construction Controllers (CCs) and Community Liaison Officers (CLOs). However, prior to this, the Urban Foundation established an advice centre to aid local residents with construction and in preparation for the last phase of their site and service projects.
- **Materials mobilisation:** Many of the Urban Foundation projects included the establishment of materials yards (such as Inanada Newtown) or the creation of accounts at local material providers (e.g. Besters Camp). The case of the later, the Urban Foundation, devised a computer programme consisting of the names of approved beneficiaries and the subsidy amount credited to them. Thereafter local hardware shops tendered to provide packages of basic materials and deliver them as close to sites as possible, when called for. They had to allow for five such deliveries to each site. The materials would then be paid for monthly from the central fund and the allocation of each beneficiary reduced by the commensurate amount.
- **Training of local contractors:** A recent and useful case of training local contractors is the Development Action Group's efforts to capacitate and regularise small-scale builders at suburban scale. There is no formal documentation on this process however it is regarded as a success by the organisation.⁴⁹

Partial house improvement

The provision of core housing components, or the direct supply of a part of the home, often forms part of an effective approach to ensure that basic standards of building exist in a settlement (Greene and Rojas, 2008). This is usually coupled with a set of alternative building (non-NHBRC approved) regulations which support continued development of a basic standard for health and safety. In the City of Cape Town's BEPP it states '*Incremental housing cannot just comprise of a serviced site with "nothing" else*'. In South Africa, there have been many innovations in terms of core provision (Napier, 2002). Some examples:

- **Wet cores:** A wet core is basically a toilet and sink. In some cases, the IDT model delivered only a wet core on a serviced site with the expectation that households would complete the house over time. More recently the Western Cape has tried to move

⁴⁹ This issue was discussed by Helen McGregor during the Western Cape Informal Settlement Upgrading Strategy workshop hosted by the Western Cape Government, Isandla, and PGD in March, 2016.

towards an ‘enhanced site and service’ model asking local governments not to deliver full units, but instead only a site and an enclosed wet core⁵⁰. There are many variations on the wet core, including provision of slabs, party walls, and frames.

- **Improved shack:** Pilots such as the Green Shack, Empower-Shack, and the Inverted Box Rib (IBR) units are examples of partially improved shacks (Dezeen.com; Cape Town Partnership, 2016). In these cases efforts are made to improve the quality of the shack structure with the aim of making them safer and more habitable. The Empower-Shack seeks to address the issue of density by enabling double-storey construction. The Empower Shack also uses IBR technology which is resistant to fire. This can be developed even where formal housing delivery is impossible⁵¹. The Green Shack aims at creating a vertical garden on shack walls.

Densification – innovations in dealing with high density

Informal settlements are often very densely settled. The assumption that upgrading involves the enforcement of minimum plot-sizes has prompted ‘de-densification’ as part of upgrading efforts. Some innovations, however, have recognised the benefits of dense development and have sought to innovate housing structures to meet these needs. These innovations can be found in *in situ* upgrades as well as relocation upgrades. These efforts generally take the form of vertical consolidation or double-storey building. Interesting examples include:

- **Double story – single occupancy formal structures:** N2 Gateway double-storey rollover upgrading shows that it is possible to develop to the full extent of the plot and provide semi-detached double storey units. This means that very little land is needed. In the case of the N2 Gateway project, a very small floor area was used and the units included semidetached and row housing. While the N2 Gateway project experienced many issues, this innovation in terms of density allowed for more households to be accommodated at the project site (during the latter phases of the development).
- **Double story shack:** The Inverted Box Rib (“IBR”) double-storey structure used for the Empower-Shack shows that a durable double storey shack can be built which sits on the spectrum between a shack and a full housing unit.
- **Formalising informal rental:** Alexandra Renewal Project (partial relocation) shows that innovative measures can be taken to support informal rental. This includes producing subsidy units which are conjoined with rental units for non-qualifying households. In this case, the main unit is double storey and is attached to two rental units.
- **Double storey self-build:** The Du Noon case shows that individual households are willing to invest in the development of plots if there is high demand for rental housing. However, without state support, incremental development of more than two floors is not viable (McGaffin et al., 2015).

⁵⁰ Personal communication with Western Cape officials. The Western Cape has succeeded in using a portion of the top structure subsidy to support an enhanced wet core.

⁵¹ Personal communication with Andy Bolnick.

- **IRDP sectional title:** Fleurhof shows that it is possible to use existing top structure subsidies to develop sectional title houses. Sectional title allows for multi-storey development (Cirolia, 2013).

4.4 Community participation

In South Africa, the state and communities have often experienced tensions, marked by hostility, violence and mistrust (van Holdt, 2011; SDI South African Alliance, 2013). For example, the majority of court judgments taken against the state have not centred on the failure of the government to deliver services but rather on how it engages with its constituency in communicating with and involving them in issues that affect their livelihoods⁵².

This hostility, coupled with ‘tick box engagements’ and the mounting pressure of so called service delivery protests, have often hindered efforts to upgrade and to enact more incremental and participatory approaches. However, there have been many innovations which demonstrate the possibilities and opportunities of ‘good’ participatory approaches.

Community leading development process

While participation is mandated in South Africa’s constitution, it has been challenging to move from a supply driven approach, to one where there is substantive participation. Even more rare are cases where communities actually lead the development process. This section documents a few cases where this has been possible.

- **People’s Housing Process:** Since the late 1990s, the People’s Housing Process has enabled communities to play an active role in planning and constructing their developments. The PHP model has been used both for informal settlements upgrading and greenfield developments. While PHP has been a challenge, there are many cases where capacitated NGOs have played the role of ‘facilitator’, enabling communities to truly lead their own development. A number of these cases are documented by the Development Action Group, and other NGOs.
- **Community-led enumeration, mapping, and planning:** Mapping and planning of communities, by communities themselves, is one way to enable communities to lead the development process. The South African experience shows that communities can be involved in mapping and planning processes. This works best when communities are supported by support institutions (NGOs, departments with local government etc.) which have a ‘socio-technical’ skill set. This means that the support institution must be able to manage community dynamics and politics, as well as support with more technical capacities in planning, urban design and engineering.
- **Community managed grant funding:** Community Upgrading Finance Facility (CUFF), initiated by the uTshani Fund, is a national fund which provides resources for small projects which are conceptualised and designed by the community (SDI South African Alliance, 2013). More recently, a City-Fund was established in Cape Town. The City Fund in Cape Town, called Khayaletu, was established by CORC/SDI/ and FEDUP with support from Comic Relief. Ten million rand was ring-fenced for the programme and selected communities were supported with capacity and training. The

⁵² As it applies to the requirements for meaningful participation.

challenge has been in accessing the funding and for the City of Cape Town to approve community designed projects⁵³.

Local government accountability

- **Tracking municipal performance:** The Ward Key Performance Indicators Matrix, for example, is designed for use by ward committees or civil society to hold councils accountable for performance and to provide municipalities with a reliable, structured form of feedback on municipal performance. The NGO Planact uses this model in their local governance programme which focuses on service delivery in the City of Johannesburg (Kitchin, 2011), in particular with community-based organisations in Orlando East and Noordgesig, in Soweto. In this process they have tried to organise the community in a different way from the ward system, expanding the public participation process by creating Community Development Committees (CDCs).
- **Social Auditing:** Social auditing is a strategy for holding the local government accountable for the basic services they are meant to provide. The Social Justice Coalition undertook a social audit of public toilets and found that were not being cleaned properly or taken care of. This enabled the state to hold the service providers accountable and reassess their approach to providing basic sanitation.

Organising the community

- **Establishing of community structure:** A community must establish structures. In the case of Marconi Beam, the SANCO branch was ineffective so a Community Trust was established. In VPUU, they use the Appoint SNAC to represent the community – SNAC then partners with VPUU and SUN Development. In many other cases a Project Steering Team is set up. It is important to note that this team may or may not be made up of democratically elected people. There is no current research as to the best way to identify people – DAG suggests that the people appointed might be less charismatic, but better in the boardroom.
- **Establishing partnerships:** Once this community structure is established, it is possible to create a partnership between the community and state intermediary support or between the community and state with some form of intermediary support. Important support intermediaries include DAG, CORC, Planact, VPUU, BESG and others. There are many examples where partnerships are formed (Smit et al., forthcoming).

Utilise approaches to communication and learning

- **Broadcast on radio:** Supported by CDE who pioneered a ‘strategic communication’ approach in a pilot with Planact. Planact did broadcasts on radio on key topics in an informal settlement in eMahlaheni to inform and empower communities and authorities (Centre for Development and Enterprise, 2013, p. 4). This included a series of one-hour shows over four weeks, entitled ‘Know your community, know your rights’.
- **Knowledge exchanges:** Community knowledge exchanges visits are a unique way for communities to learn and develop solidarity. This is a core part of the SDI learning

⁵³ See <http://sasdialliance.org.za/sharing-experiences-city-funds/>

models. Communities are encouraged to visit other communities locally, nationally, and internationally.

4.5 Reflections

This section shows that South Africa has a long history of experimentation in informal settlement upgrading. Many of the documented innovations are isolated, not forming part of the full upgrading of an area. These examples represent interesting innovations which address a specific issue. Other innovations form part of a package of interventions which feed into one and other and form part of a coherent programme, for example, the VPUU and SDI approaches. Few of the innovations have been scaled, fully implemented or properly assessed.

In sum, these innovations show that there are many ways to do upgrading and that more flexibility and creativity within the design and implementation of the programme would benefit both communities and the state

It is clear that upgrading must be tackled at scale if it is to make a meaningful dent in housing needs and contribute to the making of more spatially just and efficient cities.

Section 5: Constraints to and Preconditions for Scaling-Up

5.1 Section overview

Despite the more recent UISP and NUSP national programmes, the total number of people living in informal settlements in South Africa has increased over the past two decades (Gardner and Forster, 2014, p. 5).

For informal settlements upgrading to have both a meaningful impact on the housing backlog and address the spatial challenges of urban areas, it needs to be implemented at a much broader scale. The challenges to scaling-up upgrading are not unique to the South African context. In fact, many countries and cities have struggled, favouring either direct delivery (of services or housing), or ‘benign neglect’ (Croese et al. 2016; Smit, forthcoming).

International experience in scaling up upgrading can provide guidance on how to address the constraints and what preconditions need to be in place for scaling up. Lessons on upscaling can be found in the international literature, mostly from programme evaluations in countries that have embarked on scaling up. Within this literature, a number of common preconditions emerge as key to upscaling informal settlements upgrading that may be instructive for South Africa. In this section these core upscaling preconditions are discussed and applied to South Africa at both policy and implementation level. While South Africa meets certain of these preconditions, there are instances where they are only partly met because of challenges in our environment. These are noted below.

The following preconditions are discussed:

- Political will
- Enabling environment
- Resources (financial)
- Capacity of all players (communities, NGOs, national and substantial government, service providers) to communicate, execute, coordinate, and learn.

5.2 Political will

International

‘Political will’ is noted by the World Bank (1999) as the most important precondition for upgrading to be scaled. It is essential that politicians at national and sub-national levels see informal settlement dwellers as urban citizens and an important constituency. There must be a willingness, both within the state and beyond, to accept incremental and in situ upgrading as a legitimate part of a suite of urban interventions.

South African policy

The South African government has shown political commitment through introducing UISP, NUSP, and outlining targets in Outcome 8 and the MSTF. However, the main subsidy programme still delivers RDP houses with smaller allocations to the UISP programme. There needs to be firmer commitment to *in situ* upgrading rather than relocation and rollover.

Implementation

Challenges are faced at local level where local politicians gain votes by promising full RDP houses. Similarly, officials often view *in situ* upgrading as wasteful of resources as services have to be upgraded (twice the effort and higher cost is involved). There is resistance to deviating from service standards set out in guidance documents such as the Red Book because the maintenance costs are higher and the municipality has to be responsible for services. Likewise, it is a challenge where beneficiary communities may resist UISP interventions if they are perceived as inferior to conventional housing delivery.

5.3 Enabling environment

International

Political will needs to be translated into policies, programmes and legal regulatory frameworks by government to ensure an enabling environment for implementation. National governments must create an enabling environment for upgrading which supports local governments. UN-Habitat (2015) notes that “*National governments must play a leading role in recognizing informal settlement/slum challenges. They can provide the enabling environment to develop and implement the appropriate policies and plans to trigger change and improvement for, and in partnership with, poor urban dwellers.*” (p. 6). This enabling environment includes ensuring flexible and appropriate national legislation (land, planning, building etc.), policy frameworks (funding and financing frameworks etc.) and delivery of secure tenure.

South African policy

South Africa has some of these preconditions in place including national policy and programmes for upgrading, new national planning legislation (SPLUMA) that supports informal settlement upgrading and indicative shifts towards tenure security approaches.

While there are policies in place, the translation of these in a consistent way across the three spheres of government and ensuring that the Constitutional powers and functions of the spheres of government are observed, remains a challenge.

Implementation

The opportunities of this enabling environment have not been fully realised, in particular at local sphere where implementation is undertaken. Challenges include:

- Implementation of planning and development bylaws that are appropriate to informal settlement upgrading at scale.
- Integration of national and provincial policies into systems of local government and for local policies to be consistent with national frameworks.
- Implementation of informal settlement upgrading plans by local municipalities.
- The need to consider more city-wide strategic approaches for upgrading (Cirolia et al., 2015).

5.4 Resources

International

All international studies point to the importance of dedicated resources for upgrading informal settlements programmes (UN-Habitat, 2015, p. 7; Basset et al., 2003). Programmes which do not have dedicated and consistent resource application are unlikely to have widespread impact. Within this resource framework, it is important that the following components are funded or financed; trunk infrastructure; tertiary infrastructure; community facilitation and engagement; and professional services (such as planners, architects, engineers etc.). It is also important to have housing subsidies (which can be on the demand or supply side). Depending on the context, the need for subsidies and the ability of the local government to raise their own funding will vary.

South African policy

South African cities do have resources which can be used for upgrading informal settlements. This includes subsidies for planning, housing and infrastructure through the Human Settlements Development Grant (HSDG) which has a dedicated funding stream for Upgrading Informal Settlements (UISP). NUSP provides additional resources. In addition, the Metros have flexible grants for infrastructure (USDG).

Implementation

While UISP and NUSP funding is deployed to informal settlement upgrading, local municipalities need to apply (and compete) for UISP funding in a context of Provincial allocations. In addition, certain aspects of upgrading need more funding than what is allocated in the subsidy at present, for example planning and environmental approvals, community involvement and land rehabilitation (often marginal land is settled), so municipalities need to find their own resources to top up these costs. Municipalities often have to add their own financial resources to upgrading and human settlement delivery, limiting the number of settlements that can be upgraded annually. Funding for servicing and the ability to provide OPEX budgets in upgraded areas is also a constraint.

5.5 Capacity

International

A critical mass of national and local capabilities is needed (World Bank, 2003). This includes:

- **National framework building capacity:** Internationally, countries struggle with national government's capacity to provide clear policy direction, realistic targets, timely financing and technical support, coordination across multiple sectors, monitoring and evaluation, feedback and learning mechanisms, and communicate with other stakeholders. More specifically, national governments need to set up a national program with strong and coherent institutional mechanisms in place.
- **Innovation and experimentation capacity:** This is significant when employing new participatory approaches, using alternative building technologies and with flexible planning standards as local officials often only have skills suited to conventional development

approaches. Hence, specialised skills and greater numbers of officials are generally needed to support the implementation of participatory, in situ, upgrading programmes.

- **Local government coordination capacity:** Subnational government's capacity to execute, coordinate across multiple sectors, communicate and work with the communities and NGOs is important. Where coordination is weak, where 'silo' culture prevails and where there is weak enforcement, scaled up approaches are less successful (World Bank, forthcoming). To support this coordination, it is important to have robust, standardised and computerised data collection, analysis and holding processes and systems. This should be undertaken at local level and preferably also with the residents of informal settlements and the systems should be able to be linked to broader city, provincial and national systems and embedded in monitoring and evaluation systems (UN-Habitat, 2015, p. 7). The community-driven approach by the Asian Coalition for Community Action Programme (ACCA) has developed an approach that builds local social cohesion and empowerment and its first step is to do city-wide surveys and mapping of settlements, illustrating the importance of this requirement (World Bank and Australian Aid, 2014, p. 9).
- **Civil society capacity:** It is important that NGOs and intermediaries are capacitated to support the upgrading process and have the ability to work at scale. Similarly, it is important that communities have the capacity to communicate, understand the power of collective voice and trade-offs in making choices, and learn.
- **Professionals:** Professionals need to have the capacity to work with and understand informality. This often goes beyond their conventional training and requires experience working in informal settlements and contexts.
- **Peer learning capacity:** It has been noted by both the World Bank (forthcoming) and Habitat (2015, p. 7), that learning continuously from projects, preferably through peer learning platforms, will contribute towards effective national policies and programmes. The World Bank's Rapid Results Approach, which provides a tool for implementation and capacity enhancement, is an example of an approach to instituting major changes in an organisation or programme by using small steps that build momentum and accountability (World Bank Institute, 2003).

South African policy and implementation

Of these internationally identified capacities, South Africa exhibits varied levels and degrees:

- **National framework building capacity:** Constitutionally, the national sphere must support provincial and local capacity building (practically, NUSP is one example of this). In addition, the national government must create frameworks which support implementation. The different departments within the national government exhibit varied levels of capacity to develop enabling frameworks. However, most departments call upon a well-developed professional/policy development sector for support. Consultants and practitioners thus assist in filling gaps where national framework building capacity is short. NUSP and HDA have introduced new tools and instruments aimed at capacitating implementers (such as the Rapid Land Assessment). However, these projects often fail to be taken up at scale.

- **Innovation and experimentation capacity:** Often innovation implementation is stifled by national targets and auditing systems which discourage it. Time and budgets are thus a major challenge. Thus, while the capacity might exist to undertake scaled *in situ* upgrading, the incentives preference rapid and top-down delivery.
- **Local government coordination capacity:** Local governments have varied levels of coordination capacity. Metros are better placed and are increasingly forced to cultivate this capacity internally (through the BEPP). In general, local governments have capacitated planners and engineers. However, the softer skills, such as working with communities, is underdeveloped. Working with NGOs is generally *ad hoc* and project based so there is no institutionalised role and relationship to municipal upgrading approaches. NUSP is assisting in addressing some of these gaps, however, larger structural issues within some of the Metros (e.g. staffing, institutional structure, resources), limit the ability of local governments to coordinate. This capacity is further limited by confusion over roles and mandates among spheres and departments. Some metros are integrating informal settlement data into their planning and GIS systems.
- **Civil society capacity:** The policy relies on communities being organised and prepared for upgrading. It does not take into account broader civil society efforts (i.e. livelihoods, ECD etc.). Civil society groups, while active, have not been expanding quickly enough and tend to operate on a project by project basis (Cirolia et al., 2015). Most informal settlements are not prepared for upgrading. Social movements/NGOs are working hard with informal settlement communities, but the process is slow. Developmental NGOs are generally funded by external sources so their ability to provide sustained positive contributions are limited.
- **Professionals:** There is a lack of implementation professionals who have the required skills needed to address upgrading within an approach that supports incremental, *in situ* and community-based upgrading at local sphere. The majority of professionals operate within conventional planning and engineering frameworks or exclusively in the domain of policy development. These can be expanded using the NUSP, CSP and NGO collaboration.
- **Peer learning capacity:** There are fora, e.g. NUSP and other NGO wiki sites dedicated to information sharing but there is potential to expand this.

Section 6: Preliminary Conclusions and the Way Forward

6.1 Key ideas emerging from this study

South Africa has a substantial history of upgrading informal settlements and many lessons can be learned from this experience. However, the state-led housing delivery programme, coupled with a range of other factors, has systematically dis-incentivised *in situ* upgrading. Over the past two decades, relocation and rollover upgrading has become the predominant approach. This stands in contrast to local and international discourses which have argued for *in situ*, incremental, and participatory approaches which are situated in broader urban development and city-making processes.

Despite this, local governments, NGOs, donors, and communities themselves have been active in testing innovations and pilots. The report shows that there have been innovations in planning, in land regulatory approaches and land tenure, in infrastructure provision, top structures and community-driven approaches, all of which are important components of an overall upgrading process.

These study shows that the South Africa government has worked to put in place **many of the preconditions to successful scaling up of upgrading**. This includes a national upgrading policy, a national subsidy instrument, funding allocations, capacity support, and delivery targets. In addition, a more progressive framework planning legislation is now in place with SPLUMA. However, there are issues. The quantum and allocation of funding resources, relationships communities, widespread institutional support and capacity, co-ordination of sectors, and institutionalisation of upgrading approaches at local sphere, need to be sustained if comprehensive upscaling effort is to be successful.

South Africa is therefore in a relatively good position to undertake a scaled up approach. Not only are promising preconditions in place, there is also a track record of experimentation, innovation, and good practices. While not all of these innovations have been fully tested (making it difficult to decisively identify ‘good practices’), there is a catalogue of interesting possibilities which local governments can draw from when considering upscaling approaches.

6.2 Next steps

The City Support Programme (CSP) of National Treasury (NT), in collaboration with the World Bank and SALGA, hosted a two day workshop on the 9th and 10th May 2016. The workshop was attended by 30 delegates from national departments, the World Bank and SALGA. The seven Metropolitan municipalities also attended, along with community representatives from CORC, the SA SDI Alliance and FEDUP.

This Scoping Report was presented at the workshop on Day 1. On Day 2 the focus shifted to international experiences and scaling up. A presentation by Somsook Boonyabancha, the former director of CODI, highlighted **the innovative CODI programme in Thailand**, currently being exported to other countries. Breakaway groups discussed the constraints to scaling up and what innovations could be scaled up in South Africa. The National Department of Human Settlements and the City of Cape Town also gave their input at the workshop.

This workshop created a **platform for discussion and debate**. Debate focussed both on ‘what’ to scale up and ‘how’ it can be done in practice. The consensus of this workshop was that local conditions and community needs should play a key role in determining approaches for each settlement, but within a flexible policy framework and genuine partnerships between officials and communities. In seeking to achieve this and to overcome the range of constraints, the following was agreed upon:

The CSP will continue to **build partnerships** that use the strengths of key partners such as SALGA, COGTA, NDHS and DPME, the Metros and community organisations. Through these partnerships, the CSP will continue engaging with the Metros to identify the support needed for implementing up-scaled, *in situ*, community engaged and incremental upgrading – this will include the preparation of a Programme Management and Implementation **‘Toolkit’ for practitioners** to implement this approach. Core to this, is the creation of a ‘community of practice’, where ideas can be shared and lessons learnt and potential implementation support provided to projects that adopt scaled up, *in situ* approaches.

SALGA, in collaboration with CSP and DHS, will establish a forum of Metro officials who are responsible for informal settlement upgrading. SALGA will **promote peer learning and sharing** through this forum and other learning platforms and can include aspects such as sharing city wide informal settlement plans within cities and between cities, including partner NGOs. SALGA can give support to Metros in areas such as **developing joint policy positions** (e.g. the Housing White Paper, PHP), lobbying on proposed changes to legislation (e.g. MFMA, SPLUMA), benchmarking and advocacy. In the short term, SALGA, in partnership with CSP, will assist the Metros and partner NGOs **to provide input to the current Human Settlements White Paper Review** with regard to the scaling up of effective *in situ* and participatory informal settlements upgrading.

Finally, a **technical team** will be established between National Treasury, DHS, SALGA and SDI/CORC or any other relevant NGO to look at the **reconfiguration of UISP/USDG grants to allow for community based /flexible funding arrangements** to explore ideas of a “soft fund”, “hard fund” and a “mixed fund” and any other relevant measures. This may involve very minimal changes in the grant frameworks (e.g. USDG, UISP.). **National Treasury and National Department of Human Settlements are to hold an urgent meeting in this regard to discuss and agree on the respective roles and responsibilities.**

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