

# Informal settlements: Rapid assessment and categorisation



GUIDELINES

**PPT**



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## **Additional resources/specimens:**

*(to function as Annexures and to be made available soon on PPT's website [www.pptrust.org.za](http://www.pptrust.org.za))*

- A. Specimen informal settlement pipeline list showing categorisation and MTEF budgetary implications.
- B. Specimen Preliminary Assessment Report for a settlement including the following base plans:
  - a. Development potential
  - b. Land and services
  - c. Constraints
  - d. Context

# Abbreviations

DHS	Department of Human Settlements
DLA	Department of Land Affairs
DM	District Municipality
DRDLR	Department of Rural Development and Land Reform
ECD	Early Childhood Development
GIS	Geographic information system
HDA	Housing Development Agency
HSDG	Human Settlement Development Grant
HSPs	Municipal Housing Sector Plans
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
MTEF	Multi-year expenditure framework
NDHS	National Department of Human Settlements
NGO	Non-governmental organisation
NUSP	National Upgrading Support Programme
PLS	Project Linked Subsidy Grant
PPT	Project Preparation Trust
PSC	Project steering committee
RAC	Rapid assessment and categorization
SP	Service provider
UISP	Upgrading of Informal Settlements Programme
USDG	Urban Settlements Development Grant
VIP	Ventilated improved pit latrine

# 1. Introduction

This guideline is intended for use by Local Municipalities or Provincial Departments wishing to undertake or commission rapid assessment and categorisation (RAC) as well as professional service providers (private sector or NGO-based) undertaking RAC for them. It is intended to ensure both an adequate understanding of the context, rationale and purposes of RAC, as well as to provide an understanding of how it should be undertaken and what outputs are required.

The implementation of the RAC process is regarded as the critical first step in implementing improved and more responsive informal settlement upgrading programmes in South Africa which result in more rapid improvements and investments for all informal settlements. The new programmatic upgrading approach represents a significant departure from the historical approach. Amongst other things it is incremental, inclusive and infrastructure-led (via basic services provision). It recognises that meaningful developmental improvements need to be provided to all informal settlements as rapidly as possible (refer to section 2 for more information).

It is recognised that many municipalities and provinces have not yet fully assimilated the implications of the significant shift in approach and it is therefore critical to build municipal and provincial understanding and capacity in respect of the new approach. There are also unmet historical expectations of housing delivery, which have built up over time, and long-standing housing waiting lists – these issues need to be carefully managed. This guideline is intended to assist in this regard.

The RAC methodology was first articulated by PPT in the KZN Informal Settlement Upgrading Strategy (adopted by the KZN Department of Human Settlements in 2010). It has subsequently been accepted by the National Department of Human Settlements (NDHS), Housing Development Agency (HDA), and National Upgrading Support Programme (NUSP). The NDHS has already put out several tenders for this RAC work to be undertaken within various provinces.

There however remains significant misunderstanding about what RAC is in terms of its purpose, scope and outcomes. In particular there is often insufficient appreciation of the need for incremental (as opposed to conventional) upgrading responses, as well as for the need for subsequent more detailed pre-feasibility, feasibility and project planning work (i.e. project preparation).

It is also noteworthy that, as its name suggests, RAC was intended to be rapidly expedited in order to help design informal settlement upgrading programmes in terms of broad approach and likely resource implications (including capital funding requirements). Instead the implementation of RAC has itself become a slow process (in particular in respect of initiating/commissioning the work).

It is again emphasised that RAC is a necessary initial process in order to determine the broad developmental responses which are appropriate for different categories of informal settlements and to thereby inform the delivery of various forms of upgrading (including the targets enshrined in Outcome 8). In particular it enables preliminary categorisation of settlements in terms of the overall developmental response which is appropriate and achievable for a particular settlement given such factors as site developability.

The process of acquiring, consolidating and assessing available information on informal settlements enables the formulation of more realistic, broader-based and better differentiated developmental informal settlement plans. Undertaking RAC also enables methodological refinements at the programme level since it provides better information on the nature of informal settlements in a particular municipality or province.

A critical factor in structuring these new informal settlement programmes is the need for a paradigm shift as expressed in the Outcome 8 Delivery Agreements, it is now well recognised that conventional housing-led informal settlement solutions are unworkable at scale, unsustainable for various reasons and cannot on their own address the massive informal settlement 'backlog'. Many municipalities have, however, not yet fully assimilated the implications of the radical shift which this represents (i.e. a more rapid, participative and broad-based response led in most instances by the provision of basic services to informal settlements in-situ along with basic, functional tenure).

Undertaking RAC (as well as the subsequent project preparation work required to make projects implementation-ready) requires sufficiently experienced professionals with both social and technical skills, either located within municipalities or provinces or else procured from the private and NGO sectors (as appears to be the current preference and trend).

It is noted that this guideline is informed in general by PPT's extensive project-level experience in informal settlement upgrading over a period of more than 20 years. More specifically, it is also informed by PPT's involvement in undertaking rapid assessment and categorisation at both municipal and provincial levels in recent years, in developing various informal settlement toolkits (including for the Housing Development Agency and KZN DHS), in developing the KZN Informal Settlement Upgrading Strategy in 2010 (it being noted that this was the first provincial-level strategy of its kind in South Africa) and in providing and undertaking a range of other policy and strategy work at Metro, Provincial and National levels in the areas of informal settlement upgrading, human settlements, housing and land tenure.



## 2. The new approach towards upgrading

It is now well recognised that there needs to be a radically different approach to addressing the informal settlement challenge in South Africa. The historical approach characterised by a philosophy of ‘eradicating’ informality and premised on formalisation and the delivery of ‘RDP’ style housing (a formal and very slow process which delivers a top-structure, full level of service and title deed) is now recognised as being unworkable at scale and unsustainable for various reasons. It cannot on its own address the informal settlement ‘backlogs’. It also often produces a range of negative unintended consequences (such as relocations and a loss of livelihoods).

Historically most settlements have not received sufficient short-term government assistance and investment. Two factors which have exacerbated this situation are:

- *Delayed housing delivery intentions*: In many cases municipalities intend to provide formal housing (either on the settled land or elsewhere) but various factors prevent this from materialising timeously (e.g. land or bulk service availability issues or insufficient budget).
- *Problematic relocations intentions*: In many other cases, municipalities intend to relocate settlements, but various factors prevent this from occurring (e.g. a relocations site is not yet available and developed or there is community resistance to the relocation). It is again emphasized that, in many cases, relocations have significant and unintended livelihoods and socio-economic impacts and should be undertaken as a last resort and with sufficient consultation and due regard for locational factors.

The shift is towards a more rapid, participative and broad-based response led in most instances by the provision of basic services to informal settlements (in-situ) along with basic, functional tenure<sup>1</sup>. Whilst the provision of low-income housing forms part of the overall informal settlement response, it will typically only constitute a small part of the overall delivery given the slow timeframes, high costs and a range of other challenges associated with it. It is accepted that formalisation and subsidised housing provision will often not be achievable in the short term and will either be deferred or, in the case of marginal land, may not be achievable at all.

As indicated previously, the new programmatic upgrading approach represents a significant departure from the historical approach. Amongst other things it is incremental and infrastructure-led and recognises that meaningful developmental improvements need to be provided to all informal settlements as rapidly as possible. Historically most informal settlements received little or no developmental assistance whilst a few received a high level of investment (usually in the form of conventional ‘RDP’ housing delivery). The perceived magnitude of the challenge and difficulties in achieving formalisation on most informally-settled land, typically resulted in limited or no response. Despite significant housing delivery, informal settlement backlogs persist. Full formalisation and conventional housing delivery was historically seen as the only solution with interim and incremental measures receiving little attention or priority. The new approach is premised on a desire to include all informal settlements into the state’s service delivery programmes, even those where formalisation may not be possible in the near term with interim and incremental improvements afforded a high priority.

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1. Refer to the ‘functional tenure’ section in section 4, it being emphasised that individual functional tenure is often not rapidly achievable and that administrative recognition of the settlement by the Municipality should be regarded as the minimum since it does not require the Municipality to have first acquired and subdivided the land in question.

This new approach is informed by and reflected in the National Outcome 8 Delivery Agreement, which sets a target of providing 400,000 households in well-located informal settlements with basic services and secure tenure by 2014. The intention is clearly to move away from a historical pattern where only few settlements benefited from a relatively high level of state investment (conventional housing and tenure delivery), towards a more inclusive and incremental situation where all or most settlements benefit by means of meaningful quality-of-life improvements.

The National Upgrading Support Programme (NUSP) has been established to give impetus and support to the new approach, which also finds support in the National Development Plan, which, amongst other things, affords priority to public realm investment. The new approach is already being embraced in various ways by several cities (e.g. eThekweni, Cape Town and Johannesburg), certain provinces (e.g. KwaZulu-Natal), and enjoys significant support from the civil society sector.

The new approach to informal settlements can be characterised as follows:

- *Working with and not against informality* (and accepting that, given our constrained economic future, it is likely to persist in the future);
- *Ensuring that there is a rapid response at scale* (i.e. ensuring some level of change and improvement occurs in all informal settlements within a short period of time with no informal settlements left on a developmental 'back-burner');
- *Multi-pronged and flexible* (consisting of a range of different responses which are responsive to and appropriate for local conditions);
- *Giving priority to the upgrading and improvement of informal settlements in-situ* with relocations being only undertaken as a last resort;
- *Ensuring meaningful community participation, engagement and local ownership;*
- *Giving priority to the provision of basic services and functional tenure* as the first line of response and ensuring that this is expedited (except in rare cases where relocations are necessary and justified);
- *Maximising the use of scarce land;*
- *Integrating and including informal settlements* into the planning of cities and towns;
- *Understanding informal settlements in their spatial and socioeconomic context;*
- Ensuring that *livelihoods and economic opportunities* are afforded priority (protected or supported);
- *Improving access to key social facilities* (e.g. education and health care);
- Improving *public transport*; and
- *Accepting that collective functional tenure* (through settlement-level recognition) is the minimum form of tenure and that conventional tenure (title deeds) are in most instances incompatible with rapid basic services delivery (since they require that land first be acquired, formally planned and subdivided; which is typically a multi-year process).

RAC is central to realising this new approach. Amongst other things it ensure that all settlements are identified, mapped and assessed and that relevant and realistic developmental pathways are formulated for each and every settlement ranging from rapid full and conventional upgrading to the provision of basic services as an intermediate measure with relocations only undertaken as a last resort and with careful regard for the potential impacts on the livelihoods of residents.

As outlined previously, many municipalities have not yet fully assimilated the implications of this radical shift. It is therefore important to build municipal understanding and capacity in respect of the new approach. There are also unmet historical expectations of housing delivery which have built up over time and long-standing housing waiting lists – these issues need to be carefully managed.



### 3. Definition of informal settlement

The lack of a sufficiently standardised and accepted definition for what constitutes an informal settlement is a key issue. Those involved in undertaking RAC need to be sensitive to this issue and address it realistically and proactively.

Two of the main issues which have emerged from numerous RACs undertaken so far relate to:

- *Low-density rural settlements which in many instances are (incorrectly) included on informal settlement lists by municipalities or provincial governments.* Whilst in many instances these settlements are indeed informal in nature, it is also clear that they are often not the sorts of settlements which were envisaged under Outcome 8. There are also other substantial state development programmes pertaining to rural development which are focused on assisting such settlements (e.g. land reform, rural housing, rural water supply and sanitation, rural agriculture etc.). Caution should be exercised in including such settlements on informal settlement lists, especially where they are sparsely settled and located far from urban centres.
- *Well-established peri-urban settlements which are sometimes (incorrectly) regarded as rural or falling under rural housing programmes and therefore outside of informal settlement lists.* If a settlement has informal characteristics, has a clear relationship with the town it abuts and has an emerging urban form (e.g. it's a de-facto township which has developed over time on traditional land adjacent to a town) then extreme caution should be exercised in excluding it from informal settlement lists (since it is then effectively being excluded from the town and related urban planning instead of included into it). As outlined later in this section, it is clear that Outcome 8 is not only focused on dense inner city 'slums' but also other urban and peri-urban informal settlements which may be old and well established and are sometimes already on the pathway towards formalisation and urban formation. Possible complications pertaining to underlying traditional land ownership and municipal rating on such land should not be sufficient to automatically strip such settlements of their urban or peri-urban informal settlement status.

The 2009 National Housing Code's Informal Settlement Upgrading Programme adopts a very broad and inclusive definition for informal settlements. It characterises informal settlements as settlements demonstrating one or more of the following characteristics<sup>2</sup>:

- Illegality and informality;
- Inappropriate locations<sup>3</sup>;
- Restricted public and private sector investment;
- Poverty and vulnerability; and
- Social stress.

This definition could include many rural settlements. However it is clear from Outcome 8 that the main informal settlement upgrading priority is urban informal settlements: the goal being the "upgrading of 400,000 HH in well located informal settlements with access to basic services and secure tenure". Outcome 8 further clarifies what it means by 'well located' informal settlements as follows:

2. 2009 National Housing Code, Chapter 3, Part 5: "Incremental Interventions, Upgrading Informal Settlement", pg. 16

3. It is noted that this is a somewhat subjective factor – there are many informal settlements which are in fact very appropriately located relative to the livelihood and survival strategy of the residents, this being a key factor in settlement formation.

“Many of the approximately 2 700 informal settlements are in good locations (**i.e. well located close to metropolitan areas and basic services**), have **high densities** and, in 2008, housed approximately 1.2 million households. The key challenge is providing these households with adequate basic services and an improved shelter.” (emphasis added).

In order to ensure alignment to Outcome 8 and to prevent an overlap with rural settlements for human-settlement planning purposes, it is suggested that an additional essential criterion be added pertaining to the location of a settlement (i.e. that they also be urban or peri-urban in nature – meaning that there should be both a proximity to and relationship with<sup>4</sup> an adjacent or nearby urban centre). This would then exclude rural settlements which would then be addressed through other state programmes as indicated previously. It is however recognised that certain rurally-located settlements, often with an apartheid-planning origin, have significantly densified and grown over time to the point where they may now have substantial local retail and services economies. Such large settlements might warrant inclusion as informal settlements (since they have effectively become small towns in their own right), should municipalities or provinces desire to include them as such.

At the same time, it is also recognised that many peri-urban settlements adjacent or close to towns or cities probably need to be included as Outcome 8 informal settlements because of their close relationship to the urban centre, their emerging urban form, and the need for them to be regarded as part and parcel of the town and its urban planning processes (even if some such settlements do not always have settlement densities or levels of vulnerabilities equivalent to high density ‘shack settlements’). As previously indicated, the process of formalisation, services provision and owner-driven top-structure improvement is often well underway in many of these informal settlements.

Whilst it would be ideal for there to be a revised, consolidated and more common definition for ‘informal settlement’ as it pertains to ‘informal settlement upgrading’, there is also a need to move forward rapidly in bringing about much-needed improvements and any refinement of the definition should not in any way delay current upgrading processes such as RAC.

Ultimately it is suggested that the term ‘informal settlement’ (as it arises in the Outcome 8 and Human Settlements context) be replaced with ‘urban or peri-urban informal settlement’. In addition it is suggested that the following *essential characteristics* be recognised in defining such settlements:

- a) **Informality** (e.g. lack of formal town planning layout and approvals; lack of formal tenure such as title deeds or registered PTOs; and informal housing without building plans and related approvals); and
- b) **Urban location**, meaning proximity to and relationship with<sup>5</sup> a nearby town, urban centre or economic node but specifically excluding deep rural settlements, irrespective of density or layout type.

It is suggested that the following *additional characteristics* be recognised as typical of many informal settlements, but that the extent to which these characteristics may be present will vary between settlements and that the extent to which ‘d’) to ‘f’) are present should be considered when prioritising

4. Such a relationship would usually be in terms of the establishment and formation of the settlement (i.e. it was established or densified because of the urban centre) as well as the current relationship between residents of the settlement and the urban centre (e.g. accessing work opportunities and social services etc.).

5. As previously indicated, such a relationship would usually be in terms of the establishment and formation of the settlement (i.e. it was established or densified because of its relationship to the urban centre or economic node) as well as the current relationship between residents of the settlement and the urban centre/node (e.g. accessing work opportunities and social services etc.).

which informal settlements warrant a higher priority in respect of development interventions and investments:

- c) **Moderate to high density**, it being recognised that settlement densities vary significantly from more than 200 dwelling units per hectare<sup>6</sup> in certain dense shack settlements to as little as around 20 dwelling units per ha<sup>7</sup> in certain peri-urban settlements (but definitely excluding densities typical of sparse, low density deep rural settlements);
- d) **Underserviced** in respect of basic services such as potable water, sanitation, electricity and road access (though the provision of certain of these may often already have occurred) as well as other types of public realm investment (e.g. education, health care etc.);
- e) **Poor quality housing stock**, often in the form of make-shift 'shacks' or 'imijondolo' made of various materials, though in some well-established settlements (often peri-urban in nature), the structures may be of a quite reasonable and formal quality, if still typically lacking building plans and related approvals; and
- f) **Vulnerabilities or threats**, such as those pertaining to health and safety, it being noted that these are directly related to the above lack of investment in services though again these may already be in the process of mitigation through prior basic services provision and other public sector investments.

In the event that specific municipalities or provinces opt to *exclude* peri-urban informal settlements from 'informal settlement' lists then a new 'peri-urban informal settlement category' should be created by them to ensure that such peri-urban settlements do not become excluded from basic services provision and settlement upgrading programmes and so that proactive steps are taken to support their urbanisation, formalisation and inclusion over time.

It is noted that Departments of Human Settlements usually *exclude* rural settlements from being included in the category of informal settlements and have separate rural housing programmes to address such settlements. There may however always be some debate in respect of some peri-urban rural settlements located around the periphery of cities, towns and urban centres. It is suggested that some level of flexibility be afforded to municipalities in terms of how they choose to define 'informal settlements' provided they provide their rationale, and provided low density and 'deep' rural settlements are not included.

The approach taken by cities such as eThekweni Municipality has generally been to include peri-urban settlements where they constitute extensions to established existing townships or urban settlement. They have, however, excluded rural hinterland. We are not aware of any specific set of additional criteria (e.g. in terms of settlement density) which have been utilised to distinguish between peri-urban and rural settlements and we suggest that common sense be applied by municipalities and provinces in this regard.

It is emphasised that the developmental challenges, basic services backlogs and living conditions within informal settlements vary greatly. Generally one can identify two main types of informal settlement:

- *Very dense informal settlements* which are usually located on inner city land or as infills within existing suburbs and townships. The top-structures typically encountered in such settlements are usually described as make-shift 'shacks' or 'imijondolo'. It is usually such settlements

6. Site sizes of approximately 46m<sup>2</sup> calculated on a net density basis (i.e. including internal roads and footpaths).

7. Site sizes of approximately 400m<sup>2</sup> calculated on a net density basis (i.e. including internal roads and footpaths).

which are referred to as 'slums'. The shacks in such settlements are usually very close together or may even be virtually continuous with one another with narrow footpaths representing the main form of access, there being limited or no road access. There is typically no open space within such settlements which has not been used for building accommodation. There are few if any 'gardens' or 'yards'. Such settlements are typically very difficult to formalise without significant relocations (even if innovative 'densified' housing options and layouts are pursued). The living conditions within such settlements are usually very challenging with high risks associated with fire, crime, undisposed waste, and communicable diseases.

- *Moderately dense settlements* which are usually located on the urban periphery, adjacent to existing townships or suburbs. Such settlements, whilst they certainly qualify as being informal settlements, have significantly lower densities. The living conditions, whilst challenging, are typically better than very dense informal settlements. Whilst make-shift shacks may be present, there is often also a high incidence of more substantial dwellings made of wattle, daub and tin or even blocks and tin. In some cases such settlements are well-established and already in the process of formalisation and urbanisation (refer to preceding comments pertaining to peri-urban informal settlements).

In terms of formulating developmental responses for settlements, it is also recognised that those informal settlements which already have a significant level of basic services provided and where local residents have already built their own adequate top-structures should not receive the same level of investment (and budget) priority as those which have limited or no services and which face significant health and safety threats.



## 4. Purposes of RAC

Rapid Assessment and Categorisation (RAC) is an activity undertaken at the 'programme level' in order to identify and better understand informal settlements within a particular province or municipality and to thereby categorise them in terms of the broad types of developmental responses which are appropriate and achievable. RAC is quite distinct from pre-feasibility, feasibility and project-level planning work which would follow (e.g. pertaining to the delivery of interim services or low income housing). It makes use of readily available information sources and does not entail the initiation of specialist studies.

As such it occurs very early in the process of establishing a viable and responsive upgrading programme within a particular municipal or provincial area. It is very much about starting to design and structure an informal settlement project 'pipeline', to enable the necessary budgets to be allocated on a multi-year expenditure (MTEF) framework basis, to start the process of procuring (or recruiting) the necessary professional capacities (social and technical) to ensure that the programme moves forward as rapidly as possible, and to start the process of 'aligning' broad strategies and inter-departmental programmes and co-operation<sup>8</sup>.

It also serves to identify priority actions in respect of:

- Moving more rapidly towards infrastructure, tenure and housing improvements (e.g. land acquisition and priority technical studies pertaining to site developability); and
- Achieving broader social improvements (e.g. pertaining to primary health care, early childhood development, public transport, basic education).

As such, RAC should inform municipal and provincial MTEF budget allocations for infrastructure, housing and land acquisition making use principally of housing and infrastructure grants (please refer to section 10 for more information on grant types). It should also help to inform municipal (and provincial) budgets for related key social services (e.g. education and health care). RAC should also result in the updating of Municipal Housing Sector Plans (HSPs) (e.g. by the addition or strengthening of an informal settlement upgrading chapter).

It is again emphasised that the imperative is to rapidly deliver meaningful responses to all informal settlements and to avoid leaving certain settlements on a developmental 'back-burner'. In order to meet this objective, the bulk of informal settlement responses will need to be incremental in nature and accept that, at least in the short to medium-term, many features of informality remain and the main focus needs to be on achieving meaningful improvements in terms of quality of life (e.g. pertaining to access to clean water, safe sanitation, improved road and footpath access, improved fire protection, improved security, improved access to key social services such as education and health care, informal economy, and job creation).

The categorisation at the RAC stage is on a preliminary basis as informed by the best information available from rapid desktop and on-site assessments. As more detailed information becomes available at future points in the project preparation process (e.g. at the stage of a full pre-feasibility pertaining to such factors as geotechnical or land legal constraints), the categorisation might need to change and MTEFs

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8. E.g. Social Development on early childhood development; health on HIV prevention and treatment; education on primary schools.

and the project pipeline schedule adjusted accordingly. This is a normal part of building any project pipeline consisting of large numbers of projects, each with diverse complexities and particularities.

There are four main categories of developmental response in respect of addressing basic infrastructure and housing as outlined below. It is noted that this protocol of categorisation is informed largely by the need to determine, at a relatively early stage, the potential for long term formalisation on land which is informally occupied. Site developability is therefore the main determinant:

1. Full upgrading consisting of full services, top-structures and formal tenure (i.e. formalisation) where appropriate, affordable and viable (*category 'A'*).
2. Interim basic services (leading to eventual formalisation) where informal settlement sites are viable and appropriate but where such formalisation/full upgrading is not imminent (a situation which often prevails) (*category 'B1'*).
3. Emergency basic services for informal settlement sites where long-term formalisation (full upgrading) is not viable or appropriate but relocation is not urgent or possible (a situation which also often prevails) (*category 'B2'*).
4. Relocations as a last resort for settlements where there are urgent health or safety threats which cannot be mitigated and an alternative relocations destination is readily available (*category 'C'*).

A slightly more detailed summary of the Categorisation Guideline appears on the following page. Please refer to section 12 of this document for the full Categorisation Guideline in tabular format.

It is emphasised that a far broader range of developmental responses are also required which go beyond housing and the associated basic infrastructure (e.g. in terms of integrated settlement planning, public transport and the provision of key social services such as education and health care). It is important that RAC therefore also lays the platform for other responses and for additional investments by government departments or by municipalities.

In all cases, the rationale/basis for the categorisation must be clearly stated. This pertains to the informal settlement category, where the basis upon which a settlement is excluded from being categorised as an 'informal settlement' must be included. Similarly, if a settlement is included when it's marginal, the basis of this must be stated (refer also to section 3 for more information).

### Summarised categorisation guideline:

1. Full upgrading (*category 'A'*):
  - a. *Developmental pathway*: Rapid formalization consisting of full services, top-structures and formal tenure (e.g. title deeds).
  - b. *Rationale*: 1) Site is viable (developable) and appropriate for purposes of formalisation<sup>9</sup> + 2) project is implementation-ready - full upgrading can commence rapidly (typically land secured, feasibilities complete, plans approved etc.).
2. Interim basic services (*category 'B1'*):
  - a. *Developmental pathway*: Provision of interim basic services<sup>10</sup> leading to eventual formalization (full upgrading).
  - b. *Rationale*: 1) Site is viable (developable) and appropriate for purposes of formalization<sup>11</sup> + 2) project is **NOT** implementation-ready and imminent (there will be significant delay due to such factors as land acquisition or bulk services provision).
3. Emergency basic services (*category 'B2'*):
  - a. *Developmental pathway*: Provision of emergency basic services<sup>12</sup> but **NOT** leading to eventual formalization - more likely leading to eventual relocation (when and if a suitable relocations site is obtained and developed).
  - b. *Rationale*: 1) Site is **NOT** viable (developable) and appropriate for purposes of eventual formalization<sup>13</sup> **BUT** 2) **NO** urgent need for relocation (absence of serious health and safety threats<sup>14</sup> which cannot be adequately mitigated in the short term through basic services provision).
4. Relocations (*category 'C'*):
  - a. *Developmental pathway*: Rapid relocation to a site which is already available or imminently available.
  - b. *Rationale*: 1) Site is **NOT** viable (developable) and appropriate for purposes of eventual formalisation<sup>15</sup> **AND** 2) there is an urgent need for relocation due to serious health and safety threats which cannot be adequately mitigated in the short-term through basic services provision **AND** 3) an appropriate relocations destination is currently or imminently available.

9. In this context formalisation consists of land acquisition, formal town planning and other approvals, subdivisions, title deeds (or other formal tenure), full services and top-structure delivery.

10. Such 'interim services' will often consist of improved road and footpath access, standpipes, and some form of improved sanitation (e.g. VIPs or communal sanitation blocks). Electricity is sometimes also provided. The intention however is eventual formalisation and as a result sufficient preliminary planning is desirable to maximise the extent to which such interim services can be incorporated into an eventually formalised development.

11. In this context formalisation consists of land acquisition, formal town planning and other approvals, subdivisions, title deeds (or other formal tenure), full services and top-structure delivery.

12. Such 'emergency services' may be at a similar or lesser level to category B2 interim services. What distinguishes them is the unlikelihood of eventual formalisation. It is consequently unnecessary to undertake any preliminary planning work (although it may in some cases be beneficial). It is emphasised that the basis for their provision is not only to alleviate an 'emergency' situation, but also to provide quality of life improvements where settlements are unlikely to be relocated for some time to come.

13. In this context formalisation consists of land acquisition, formal town planning and other approvals, subdivisions, title deeds (or other formal tenure), full services and top-structure delivery.

14. E.g. serious flooding, slope instability, toxic waste exposure.

15. In this context formalisation consists of land acquisition, formal town planning and other approvals, subdivisions, title deeds (or other formal tenure), full services and top-structure delivery.

## 5. Key success factors and challenges

The following key success factors and challenges have emerged pertaining to rapid assessment and categorisation (RAC) and the rollout of effective, multi-pronged and incremental informal settlement upgrading programmes. These factors need to be well understood and where necessary mitigating actions taken if RAC is to result in real delivery and functional upgrading project pipelines:

- Achieving a response at scale: At least 10 percent of South Africa's 44 million people live in urban informal settlements. This equates to more than 1.2 million households and an informal settlement population of over 4.4 million. Approximately 23 percent of the households in South Africa's nine largest cities are estimated to be without adequate shelter. In reality, the actual numbers are probably significantly higher than these figures suggest. Rapidly achieving quality of life improvements for this portion of SA's population is therefore a high strategic priority.
- Addressing and reaching all informal settlements: Given the scale of the informal settlement challenge in South Africa and the impossibility of rapidly formalising or 'eradicating' such settlements, the objective must be to provide some level of response, investment and improvement to all informal settlements (even if it is at a modest level for those which are highly constrained from a developability perspective) in the near term (e.g. within a five year horizon). Even if some settlements might warrant a higher level of investment, none should be entirely neglected.
- Moving away from housing delivery as the main upgrading response: Conventional housing delivery is an inherently slow and costly process and, if pursued as the only means of upgrading, will inevitably prevent broad-based and rapid upgrading and settlement improvements from materialising. A typical conventional upgrade (formal housing delivery, formal tenure and full services with associated formal planning approvals, land acquisition and township establishment) takes at least eight years from initial planning to final completion of construction (with the time required for land acquisition, bulk services provision, addressing social issues, administrative decision-making, and regulatory approvals being amongst the biggest factors which slow the process down). The typical cost of a completed unit including land, services, housing and fees exceeds R125,000 per site (excluding bulk service upgrade costs and is significantly more in Metropoles and/or where densified typologies are appropriate). The cost of eliminating the informal settlement backlog through conventional means would cost at least R150 billion, if not significantly more.
- Fiscal budget trends towards incremental upgrading: The total housing budget for Human Settlement Development Grant (HSDG) over the next three years stands at just over R57 billion (sufficient to finance a little over 400,000 housing units across all housing programmes and of which only a portion is allocated to the Upgrading of Informal Settlements Programme (UISP). By contrast, the budget allocated for the Urban Settlements Development Grant (USDG) (intended principally for informal settlement infrastructure) stands at just over R32 billion (sufficient to provide interim basic services to over 1 million informal settlement households – i.e. the bulk of the current informal settlement population). Most municipal and provincial officials however are still locked in a conventional housing paradigm. RAC is intended to help change this thinking and restructure informal settlement programmes accordingly.



- Understanding informality and working with, not against it: Whereas in principle there is a commitment from government to work with and support those in the informal sector in an inclusive and incremental fashion, in practice there remains a lack of understanding of informality and an ambivalence in working with it. There is often a desire to either 'eradicate' it or 'formalise', as opposed to working incrementally towards creating change and improvements over time. In most instances, rapid formalisation of informal settlements is not possible for technical, budgetary and capacity reasons. Given a range of constraints (e.g. pertaining to land, funding, capacity and unemployment), informality will inevitably persist for at least the medium term. Some level of informality must be accepted even whilst initial and interim improvements and investments are made (e.g. informal tenure relations, lack of compliance with building regulations etc.). The nature of these improvements and investments will be informed in part by the potential for long-term formalisation and, if this is intended, the formalisation plan (e.g. settlement layout plan). Improvements should however also be provided to settlements with limited or no prospects for formalisation where other alternatives are not rapidly available.
- Functional tenure – administrative recognition of settlements: It is not possible or realistic for conventional, formal tenure (i.e. a title deed) to be regarded as the minimum and necessary form of tenure required prior to making basic infrastructural and other initial settlement improvements. Such tenure requires that land has first been acquired (which is in itself typically a very slow, complex and costly process) and then formal planning processes, approvals and subdivisions still need to be finalised. Making formal tenure an upgrading pre-requisite will effectively prevent interim basic services from being provided to many if not most settlements (especially those on land not owned by the Municipality). Collective, informal, functional tenure should therefore be regarded as a sufficient minimum form of tenure for the delivery of interim basic infrastructure (as per the established precedent on eThekweni's interim services programme<sup>16</sup>). Such tenure can most easily take the form of administrative municipal recognition of a particular settlement (e.g. via municipal approval of a list of categorised settlements arising from an RAC process). Such settlements are recognised by the Municipality as being de-facto. In terms of a categorised list of informal settlement, the Municipality indicates and discloses the category of each settlement which also indicates the long term development/formalisation intention. The Municipality indicates that, for all categories except category C, relocation is not intended and that, in the event that this changes and it becomes necessary (e.g. due to unforeseen technical constraints), it will be undertaken in close consultation with the community and only after an alternative and more suitable settlement location has been identified. Refer also to section 10.
- Undertaking interim services prior to land acquisition: As indicated above, in cases where the Municipality does not own the land in question, interim basic services can and should nonetheless be provided (for category B1 and B2 settlements). For category B1 settlements, the Municipality will in the long run need to acquire the land, but for category B2 settlements (emergency basic services), it typically may not even have an intention of eventually acquiring land, though the level of investment in basic services will typically be more limited in nature.

16. eThekweni currently provides a range of interim basic services at a fairly high and costly level of service without making any individual, formal tenure intervention. Their basis for doing so is the Municipal Ordinance which empowers them to make such interventions on private land. All settlements have already been assessed and categorised and for those settlements due for eventual formalisation, the Municipality is committed to ultimately acquiring the land in question, even if it is by expropriation as a last resort.

- Prioritising public realm investment: For all settlements the priority should be on public realm investment (e.g. basic infrastructure, schools, clinics etc.).
- Addressing livelihoods, the informal economy and job creation: These are key priorities and careful consideration must be given as to how these can best be supported. The RAC process however can only identify on a preliminary basis some of the issues and possibilities. Additional work will be required in this regard. PPT has produced a separate guideline in this regard. It is noted that a key principle must be to avoid creating dependency and to move away from a distributive 'mode' of development. Efforts should focus on supporting and assisting local people who have the necessary commitment, entrepreneurship and 'self-help' mentality. Possible types of support might include: participative local economic action planning (PEAP); training and business development support for de-facto micro-enterprises; enabling economic investments (e.g. in affordable manufacturing space); support for urban agriculture; job linkage centres; support for collective buying or distribution/marketing; design support for the craft sector etc.
- Limitations of the UISP: Whilst the UISP is one of the potential grant instruments suitable for informal settlement upgrading, it is best suited to full, conventional upgrading (category A settlements), has significant limitations with respect to basic services provision for incremental upgrading (category B1 settlements) and is entirely unsuited to emergency services (category B2 settlements). This is for three main reasons: a) the grant includes land acquisition as part and parcel of phase 1 (basic services delivery) whereas in practice, this will often be unachievable; b) it suggests that full services, formalisation and housing delivery should automatically follow as subsequent phases which will not always be possible (both for technical constraint reasons as well as due to UISP budgetary insufficiency); c) the budget provision for basic services is insufficient (at approximately R3,500). It is suggested that where possible, the USDG be considered the grant of preference for interim basis services for category B1 settlements (although this is currently only available to Metros and certain high-capacity municipalities) and the Emergency Housing Grant or USDG for emergency basic services for category B2 settlements. For more information, refer to section 10.
- A more flexible regulatory environment: It is desirable that municipalities consider greater flexibility in respect of such issues as: backyard shacks and associated sub-tenancy; semi-formal top-structures; boundary encroachments; vehicular access to every house; a parking bay/space for every house; pedestrianised access; and the electrification of shacks (as currently occurs in eThekweni Municipality).

## 6. How to initiate RAC

Rapid Assessment and Categorisation (RAC) can be undertaken at either a municipal or provincial level and it may therefore be initiated by either a Local Municipality or else a Provincial DHS or even the National DHS/NUSP/HDA assisting a particular municipality, group of municipalities or province.

Few, if any, municipalities, including Metros, have the in-house-capacity to undertake RAC. Most municipalities' housing personnel are also already heavily involved in housing delivery and construction oversight work. It is therefore usual that out-sourced service providers (either private sector or NGO-based) would need be procured typically on a competitive bid basis using supply chain management processes.

At the outset, a list of known informal settlements and their approximate size and locality is necessary in order to enable a tender call to be issued and for prospective service providers to be able to bid. Any additional known information on settlements will also assist prospective service providers to bid (e.g. municipal prioritisation, status of grant funding approvals such as housing subsidies, status of services and housing delivery, any existing categorisation – e.g. short term housing delivery versus intended relocations).

The summary scope of work outlined on the following pages can be utilised as the basis for procurement.



## 7. Scope of work for RAC

The scope of work outlined below has been summarised from PPT's more detailed RAC toolkit for internal use. It is accepted that there may be some differences in approach and method between RAC service providers in achieving the summary scope of work outlined in this section. It is also noted that the level of intensity of work may vary (e.g. pertaining to the level of community participation that is undertaken) – refer also to the variability factors outlined in the following section.

### 7.1. Variability factors

The scope, cost and time-frames associated with RAC may vary depending on a range of factors outlined below. These 'variability' factors may also create risk for both government and service provider if they are not understood and accommodated adequately.

- Geographic extent of study area (including municipal vs provincial-level).
- Number and size of settlements.
- Settlement identification – the extent to which settlements have already been adequately and correctly identified and located spatially noting that: a) this is a key challenge and there are often challenges in arriving at a reliable, spatially referenced list (e.g. settlements are either added to or fall off the initial list provided in a tender bid document); b) sometimes rural settlements are incorrectly included and conversely some true informal settlements are excluded, perhaps because they are assumed to be too small, marginal or undevelopable; c) municipalities may at times include rural settlements as urban informal settlement (e.g. to access informal settlement budget) or conversely omit informal settlements (e.g. due to not wanting to highlight local informal settlement challenges for fear of negative perceptions).
- Base information availability/quality especially local GIS data.
- Accessibility of area (not only physically due to terrain and road access but also due to such factors as possible 'gate-keeping' of local leadership/councillors, as well as cases where there is criminal risk or socio-political instability such as social protests).
- Definition of an informal settlement – the level of consensus, especially in terms of rural versus true urban settlements.
- Municipal understanding of upgrading – the level of a Municipality's understanding and acceptance of the new incremental approach to informal settlement upgrading (including RAC itself).
- Municipal buy-in and willingness – in particular to work with external service providers and divulge settlement information (e.g. technical work completed, decisions about relocations etc.) – this is especially likely to be an issue where RAC has been provincially or nationally commissioned and specific municipalities are not fully 'on board'.
- Reporting and communications – there are cases where significant difficulties can be experienced in communications and related reporting with a Municipality or Provincial DHS and this can significantly add to the scope and difficulty of a RAC assignment – it is suggested that all efforts are made to ensure streamlined and efficient communications so the RAC process can be efficiently expedited.

- Community access – the extent of difficulty in securing access to local communities via councillors and leadership (it being noted that sometimes there is resistance and sensitivity about introducing external service providers and sometimes councillors want to ‘gate-keep’ these relationships).
- Community engagement and participation – the level/extent expected by the municipal capacity (noting that the methodology outlined below assumes a minimum level of community engagement and does not include participative community planning processes) – if a higher level of participation is expected, then this additional scope would need to be specified in a tender bid and it would come at an additional cost.
- Strategy input – there may be a desire for a municipal informal settlement strategy for some strategic input over and above RAC (related to the informal settlement chapter of the housing sector plan) – there have been cases where this has been included in certain government RAC tenders but this is not regarded as a standard item and it is over and above the scope outlined in this section (this additional scope would need to be specified in a tender bid and it would come at an additional cost).
- Housing sector plan input – there may be cases where there is an expectation or need to for assistance to the Municipality in updating the informal settlement chapter of its housing sector plan – this has not been included in the outlined scope of work (this additional scope would again need to be specified in a tender bid and again would come at an additional cost).
- MTEF alignment input – should a Municipality require assistance in ‘aligning’ and reworking its MTEF across various grant categories for settlements then this would need to be added to the scope (i.e. the additional scope would again need to be specified in a tender bid and again would come at an additional cost) – what has been factored into the scope outlined below is the development of a multi-year cash-flow for an informal settlement pipeline however additional work may be required to integrate this into the Municipality’s MTEF including consideration of limitations in budget allocation from Provincial or National Government and additional political priorities which might come into play (which are not socially or technically related).

*Note on municipal capacity issues: It is noted that municipal ‘capacity’ issues are a key factor and relate to several of the above variability factors; and it is important they are taken seriously and addressed. They may otherwise pose a risk to the successful achievement of RAC. Examples of problems which may be experienced include: a) responsible municipal project manager (single point of contact) is not sufficiently available or defers to various other personnel to deal with matters pertaining to information or contract deliverables who in turn may not be willing or available to assist; b) project steering committee (PSC) does not function effectively with insufficient participation and consequent lack of project understanding and information flow; c) service provider requested to make additional presentations to council/councillors (over and above prescribed scope and typically because the PSC is not functioning properly and the responsible municipal official is not adequately dealing with matters such as introducing the new upgrading principles and processes); d) local disagreements and power struggles between personnel; e) apathy or misunderstanding of the new approach to upgrading and its implications (e.g. in terms of budget and municipal responsibilities – again links to ineffectiveness of PSC – this also relates to possible changes in settlement categorisation e.g. settlements previously identified for relocations being recommended for emergency basic services or ones targeted for medium full housing delivery being recommended for short term interim services delivery).*

## 7.2. Assumptions and risks

The scope of work outlined in this section assumes that service providers external to government, whether NGO or private sector-based, will be commissioned to undertake the work in question, it being noted that this is already the process that government is utilising at provincial and national levels. Items such as inception and closeout reports have therefore been included as has time for progress reporting and client liaison. If an in-house model were to be pursued, these items may need to be reconsidered (although in general it would nonetheless be beneficial to retain them).

There are also a range of other assumptions which have already been alluded to in preceding sections pertaining to, amongst others:

- The new incremental approach to informal settlement upgrading (understanding/acceptance of it);
- The definition of urban and peri-urban informal settlements (as opposed to rural settlements);
- The preliminary nature of RAC (including the need for more detailed follow-up pre-feasibility and feasibility work);
- The limited nature of community participation included in RAC (it being quite distinct from participative community planning process);
- The need for municipalities to actively engage with the RAC process and output (e.g. in terms of making available base information, MTEF budgeting, updating of informal settlement upgrading chapter of housing sector plan, commissioning subsequent feasibility and planning work etc.);
- Access to settlements;
- Base information quality and accessibility; and
- Adequate municipal coordination and communication (including terms of information provision and community access, and single point of contact).

## 7.3. Objectives

- To obtain a rapid overview of the locality, scale and nature of informal settlements in a Municipality and in particular to better understand the priority needs as well as the site constraints and developability pertaining to different settlements.
- To determine an initial categorisation of all informal settlements in a Municipality indicating the appropriate type of developmental response for each one (based on a preliminary assessment of site developability and formalisation potential, it being noted that, as a result of more detail subsequent investigations, this categorisation may need to be reviewed and changed later).
- To enable strategic prioritisation of informal settlements for different developmental responses.
- To enable the allocation of budgets for professional services and capital expenditure on multi-year (MTEF) expenditure frameworks (associated with further pre-feasibility and feasibility studies, design, and implementation/construction e.g. emergency or basic services, land acquisition, full services, housing).
- To provide an essential input necessary to strengthen and/or update the Municipality's HSP in respect of informal settlements (and/or informal settlement upgrading strategy).
- To identify priority settlement improvement actions pertaining to:
  - Basic infrastructure, tenure and housing improvements (e.g. priority technical studies pertaining to site developability, land acquisition etc.); and
  - Broader socio-economic improvements (e.g. pertaining to primary health care, early childhood development, public transport, basic education, informal economy etc).

## 7.4. Inputs

- Collection and assessment of available base information including:
  - i. Municipal/provincial GIS data, housing sector plan, land use management plans, other relevant spatial plans, provincial nodes and corridors etc.
  - ii. Recent technical studies/specialist reports including for nearby/adjacent land for housing or other development (e.g. geotechnical, environmental etc.) including possible interviews with such professionals.
  - iii. Latest census data.
  - iv. Other data sets which are accessible and useful (e.g. DLA urban edge data, Eskom spot data etc.).
- Site visits to all informal settlements (visual inspections by means of a drive-by or walk-through).
- Interviews/meetings with community leadership.
- Interviews/meetings with municipal officials, personnel from relevant government departments or parastatals with information (e.g. Department of Water Affairs, Eskom) and professionals with historical involvement.

## 7.5. Process and phases

*Note 1 (provincial vs. municipal scale): The scope will vary slightly in terms of such aspects as client relationship and timing of engagement at municipal level if the client is a Provincial DHS as opposed to a Local Municipality. It is noted that the process of finalising the contract between the service provider and client is not included below, although this can be a time-consuming process in its own right.*

*Note 2 (contracting): It is important that there is clarity on the scope of work, especially the expected outputs, at the contracting stage. This means that the contract between government and the procured service provider should include the terms of reference from the tender as an attachment and should specifically refer to or attach the bid proposal upon which the service provider was procured. Where there are differences or tensions between the TOR and bid proposal, this needs to be resolved at the contracting stage.*

*Note 3 (phasing): It is noted that the phasing below is consistent with the main phases arising from prior RAC tender bids already issued by national and provincial government although with some slight modifications and updating (based on recent in-field experience and eliminating previous sub-phases). For the record, the prior phasing (which can still be utilised if desired) is as follows: Phase 1: Inception; Phase 2: Data collection, stakeholder engagement and evaluation; Phase 3: MTEF projections and update of Housing Sector Plan (the latter being the responsibility of the Municipality); Phase 4: Closeout.*

### Phase 1: Inception

1. *Initial meeting with client* (usually a Provincial DHS or Local Municipality) including:
  - a. Confirm principles of new informal settlement upgrading approach with client.
  - b. Confirm definition of informal settlement with client and how this will be applied in the local context.
  - c. Confirm informal settlement list (usually an initial list is included in the tender bid, but as previously noted, there may be settlements omitted or ones included which are not true

- urban or peri-urban informal settlements as envisaged in Outcome 8).
- d. Confirm project scope, method and expectations with Municipality.
  - e. Confirm information required from Municipality and thereby start the process of collecting base information (e.g. housing sector plan, any relevant local spatial plans or strategies, municipal GIS information, any past technical studies pertaining to settlements or related to them e.g. geotech, environmental, bulk services assessments etc. – noting that studies undertaken on nearby land parcels may also be relevant).
  - f. Obtain from the client the names and contact details of relevant officials (in case of Provincial DHS including key officials within target municipalities and local councillors (in case of municipal client – otherwise this will most likely be done in phase 2).
  - g. Confirm make-up of Project Steering Committee (PSC) and frequency of meetings.
2. *'Drive-by' of settlements:* A quick 'drive-by' the various settlements in the area (preferably with a municipal housing official) is highly beneficial at this early stage in order to start understanding the settlement patterns, terrain, level of development and context.
  3. Table *draft inception report* and obtain client comment (this is often in the form of an assignment implementation plan which usually confirms what was in the service provider's tender bid, but sometimes with some refinement or additional clarity provided, depending on the outcomes of the above, but noting that the service provider will not usually be able to expand the extent of services it provides within the finite budget awarded).
  4. Obtain *client approval of Inception Report/Assignment Implementation Plan*.

## **Phase 2: Initial engagement, confirm settlement list and collect base information**

5. *Collect base information* especially GIS data sets (given that this can take time, this must commence as soon possible and preferably even during phase 1, but is typically ongoing into phase 3). It is noted that the availability of information from the Municipality may be limited and other sources must also be pursued (e.g. GIS professionals, Provincial Line Departments, Eskom etc.).
6. *Rapid assessment off recent aerial photography* such as 'Google Earth' (check date of photography) to identify/locate all de-facto informal settlements and those off informal settlement list provided. Identify informal settlements not on the list or settlements on the list which do not meet the urban/peri-urban informal settlement definition and might need to be removed and dealt with via other human settlement or rural development programmes. It is beneficial to do a quick aerial shack count and also cross-reference this against numbers of the Municipality's informal settlement list.
7. *First PSC Meeting* = Project initiation meeting (municipal level) with key officials and councillors to: a) introduce principles of the new approach to informal settlement upgrading; b) confirm RAC objectives, scope and roles and responsibilities; c) build communication, understanding and trust; d) confirm process and timing of access to targeted informal settlement areas; e) assess what base information might be available and timing and process for acquisition thereof. This can also be undertaken as part of the Inception phase, depending on local circumstances.
8. *Bilateral engagement* with municipal officials/line departments, councillors and others to obtain base information, further build understanding, and continue process of securing access to the targeted informal settlement areas. This includes discussions with the Housing Officer to understand current municipal plans and delivery progress in all settlements (before visiting sites) as well as engaging with sector professionals with local knowledge (e.g. geotech, environmental etc.) to so as to know what to look out for during upcoming site visits. It may also include engagement with local NGOs working in the area.



9. *Final informal settlement list* (based on the above work) which is acceptable to both Municipality and service provider (which includes all de-facto informal settlements but excludes settlements which are not true urban or peri-urban informal settlements). This should include the name of each settlement, estimated number of resident households/shacks, any existing (draft) municipal categorisation, status of any known human settlement projects approved underway (e.g. interim services, housing).
10. *Final informal settlement locality and boundary plans* off recent available aerial photography (e.g. Google Earth) showing settlement boundaries and settlement names. It may be beneficial to get the PSC to approve the final list and locality/boundary plans to avoid confusion and changes later.
11. *Final base information set* noting that there has to be a 'time-out' on this – if information is not provided by the Municipality or Provincial DHS by a reasonable time-line, then the RAC will need to proceed and be finalised on the basis of available information.

### Phase 3: GIS plans, site visit and community engagement

12. *Draft GIS plans* to assist teams during their site visits and community engagement including:
  - a. Municipal base plan showing: Location and boundaries of all identified informal settlements referenced to the Municipal informal settlement list.
  - b. Settlement base plan: For each settlement, a larger-scale aerial photo showing the settlement boundary and in addition, where desktop information exists, additional locational and contextual information (e.g. location of key social facilities such as education and health care, activity nodes, transport and movement corridors) as well as any known technical issues or constraints (e.g. floodplains, overstep land, powerline servitudes etc.).
13. *Preparation for meetings with community leadership*:
  - a. Hold initiation meeting with the Municipality and relevant community leadership before commencing site visits.
  - b. Obtain names and contact details for identified community leadership, councillors and others (e.g. community development workers) for each of the settlements from the municipal housing official.
  - c. Confirm settlement boundaries for the identified informal settlements with the Municipality, it being noted that: a) the settlement boundaries contained in the current Municipal Housing Sector Plans may differ in some instances to the de-facto settlement patterns; b) that there is usually significant uncertainty as to the number of households residing in the identified settlements.
14. *Site visits* to every settlement to observe and assess (at a preliminary level) visible information pertaining to the following, it being noted: a) that photographs should be taken of all key local features both for reporting and evaluation purposes (i.e. to avoid the need to revisit site's later at additional cost); b) that this information needs to be considered alongside information obtained from desktop and GIS sources:
  - a. *Geotechnical conditions* (e.g. visible soil type, soil profiles at cuttings, rock outcrops, erosion and erodability, evident slope instability, waterlogged soils etc.);
  - b. *Environmental constraints* (major environmentally sensitive features such as wetlands, graves, natural vegetation, animal populations, which may influence the sites developability);
  - c. *Bulk services* (e.g. sewer and storm-water manholes, beacons for water pipes, roads and public transport facilities, storm-water controls, electrical infrastructure);
  - d. *Social services* (e.g. schools, clinics, taxi ranks, activity nodes, pension pay points, sports fields, etc.);

- e. *Topography* (e.g. steep slopes or floodplains);
- f. *Land legal issues* (e.g. powerline and rail servitudes); and
- g. *local economy* (e.g. local businesses, economic nodes, food gardens etc.).

*Note – the above assessments can be undertaken by a single person with extensive housing and human settlements experience (e.g. a civil engineer or experienced project manager) or else by a team of specialists in the relevant fields – though it is noted that the latter will be far more costly and should not be required if a single specialist with sufficient experience forms part of the team, especially if he is backed-up by specialists who can undertake a desktop review of the field-work which has been done:*

15. *Meetings/interviews with community leadership* (it is assumed that an assigned Municipal official will usually assist with the co-ordination and setup of these meetings):
  - a. Clearly explain the objectives and limitations of the RAC process and new incremental approach to informal settlement upgrading.
  - b. Confirm settlement boundaries.
  - c. Obtain information pertaining to:
    - i. Settlement origin (date of establishment, reason for formation and growth pattern over time);
    - ii. Settlement size (number of households);
    - iii. Perceived tenure relations (including sub-tenancy) and land ownership;
    - iv. Priority needs (e.g. sanitation, water supply, road access, crèches, clinics etc.);
    - v. Vulnerabilities and threats (including imminent health and safety threats e.g. due to flooding, slope instability, pollution such as toxic waste etc.);
    - vi. Key local assets (especially human capital) and existing local activities, initiatives, CBOs and other groupings; and
    - vii. Desire of community to remain settled on the land in question – do they see it as a permanent, long-term settlement or as a temporary place to live?
  - d. Second PSC Meeting and tabling of progress report.

#### **Phase 4: Settlement-level assessments and categorisation**

NOTE: Please refer to section 7.6 'Outputs' on page 25 for more information on the content required.

16. *Preliminary assessments of each settlement*: Based on the above social and technical work, a short narrative report on each settlement including in respect of: main characteristics (e.g. origin, land ownership etc.), categorisation determined (A vs B1 vs B2 vs C), site constraints (e.g. topographical, geotechnical etc.), development potential, estimated housing yield which could be achieved based on particular density assumptions.
17. *Assessment base plans for each settlement* showing:
  - a. *Settlement boundaries*.
  - b. *Slope analysis based on existing contours*.
  - c. *Constraints* – land not developable due to such factors as steep slopes, floodplains, powerline servitudes, obvious environmental sensitivities etc.
  - d. *Land legal*: cadastral boundaries, property names, extent in hectares.
  - e. *Development potential plan* showing the developable area and estimated yield that could be achieved off each land parcel or portion of land parcel within the project boundary.
  - f. *Services (infrastructure and social)* – e.g. roads, water and electrical reticulation, schools, clinics etc.).
18. *Municipal base plan* showing: Location and boundaries of all identified informal settlements and other key features such as town centre, movement corridors etc.
19. *List of categorised settlements* showing name, number of households, categorisation (A vs B1 vs B2 vs C), estimated housing yield (where applicable).

*Note: a) settlements will sometimes be a mix of different categories in which case the dominant category should be used with the other, lesser category noted. For example, if 60% of a site is developable and most of the settlement can be accommodated on-site, then it should be categorised "B1" with the balance being "B2"; b) there may be differences between the recommended approach based on RAC and prior municipal intentions/plans (e.g. a relocation changing to emergency services or a medium-term housing project changing to short-term interim services) – these may require some discussion, especially to confirm the key principles of the new approach to upgrading.*

20. *Third PSC Meeting and tabling of RAC report:* including discussion and confirmation of settlement categorisations, rationale and developmental and broad budgetary implications.

### **Phase 5: Prioritisation and cash-flows (for MTEF and HSP)**

*NOTE: If there are only a few informal settlements on the list, then there may not be a need to prioritise since all settlements may then be dealt with simultaneously. It is however essential that the settlement categorisation has been confirmed (see phase 4 above).*

21. *Draft prioritisation:* A list of the settlements specifying, for each one, the factors which, based on the RAC done, might suggest prioritisation due to such factors as:
- a. In the case of B1, B2, C: Existence of imminent health and safety threats (e.g. pertaining to severe flooding, pollution etc.).
  - b. In the case of B1 and B2: Level of developmental need – i.e. level of underdevelopment relative to other settlements (e.g. in terms of absence of basic sanitation, water supply and road access).
  - c. In the case of A and B1: high strategic value of land in question for housing development (e.g. large land parcel, well located with high developmental potential within a context of high housing demand and strong urban growth and strong local economic potential).
22. *Meeting with Municipality* on prioritisation, secure comments, discuss prioritisation factors/criteria.
23. *Revised prioritisation* list.
24. *Cash-flow projections (multi-year)* for each project based on categorisation and presumed grant funding sources to be utilised (e.g. UISP vs USDG vs MIG). This would have a total amount for each settlement and grant, with a disaggregation for either the next three or five years. The intention is to ensure that all settlements are provided and budgeted for in terms of one category of responses or another and that no settlements are left on a 'backburner'. It is recognised that there is a pressure to deliver conventional housing and that many municipalities may resist incremental responses such as interim services. However, the imperative must be to achieve 'breadth' of response and 'inclusion' of all informal settlements as rapidly as possible, instead of prioritising one settlement to the exclusion of another. In practical terms this means carefully prioritising those settlements which are going to receive the costly and slow response of conventional upgrading (formal housing, tenure and full services) whilst at the same time ensuring that all other settlements are also included and assisted through more immediate and incremental means.

*Note: a) The Municipality should make use of the above for purposes of MTEF budgeting and updating the informal settlement chapter of their housing sector plan but doing this is not the responsibility of the RAC service provider unless these have been specifically tendered and contracted for additional items. b) Certain grants such as MIG may be under the control of the district municipality (DM) in which case it is necessary for the Local Municipality to rapidly engage with the DM in this regard to secure the necessary allocation.*

## Phase 6: Closeout

25. Closeout report.
26. Final PSC meeting.

## 7.6. Outputs

- **List of all informal settlements showing broad categorisation of each one** (i.e. A = full upgrade, B1 = interim basic services, B2 = emergency basic services, C = imminent relocation). For each settlement, the rationale/basis for the categorisation should be indicated as well as the priority developmental interventions and investments required (this information will be drawn from the preliminary assessment report for each settlement outlined below).
- **Base-plan showing locality of all informal settlements**, and clearly referenced to the list. This information should preferably be spatially referenced so that it can be included in the Municipal and Provincial GIS.
- **Preliminary Assessment for each informal settlement.** This should consist of a short narrative report for each settlement with appended base plans. It should address the following aspects, it being noted that there may be gaps depending on the level of available information:
  - *Settlement name, location and size* (estimated number of households/structures) and approximate age of settlement.
  - *Contact details:* name and contact details of: a) community leadership; b) ward councillor; c) ward development committees.
  - *Categorisation:* specific categorization for the settlement and main rationale/reasons for the categorization given.
  - *Developability assessment summary* (preliminary in nature):
    - Summary of the main developability constraints which have emerged from the assessment (e.g. steep slopes, flooding, unstable soils, high densities, environmental sensitivities etc.).
    - Estimated proportion (percentage) of the site which is: a) easily developable, b) developable but constrained, c) undevelopable (e.g. over-steep, in wetland, under power-lines etc.).
    - Estimated housing yield which could be achieved if formalised and assumptions (e.g. eventual density per hectare, single vs double story units, extent of pedestrianisation etc.).
    - Relocations implications (if any).
  - *Priority settlement improvement actions* (short and medium-term) pertaining to:
    - Basic infrastructure, tenure and housing improvements (e.g. land acquisition, priority technical studies pertaining to site developability and priority basic services required, such as sanitation or water supply etc.).
    - Broader socio-economic improvements (e.g. pertaining to primary health care, early childhood development, public transport, basic education, informal economy etc.).
  - *Preliminary technical assessment:*
    - *Topography* (including estimated % site steeper than 1:3, 1:3 to 1:6 and < 1:10).
    - *Top structures:* nature of existing top-structures indicating the extent of formal versus informal structures and noting typical materials used for both walls and roofs (e.g. wattle and daub, tin, plastic and cardboard, blocks).

- *Existing visible infrastructure services* (water supply, sanitation, road access, electrification) – also noting and informal services such as pit latrines.
- *Existing visible social services* (e.g. schools, clinics, community halls).
- *Estimated settlement density* (i.e. indicative dwelling units per hectare<sup>17</sup>).
- Immediate challenges/needs.
- *Imminent and obvious emergency threats and estimated proportion of settlement affected* (e.g. flooding, landslides, toxic waste exposure etc.).
- *Land ownership* and number of properties.
- *Bulk services availability* and capacity issues (e.g. overloaded water or sewer treatment works, outfall sewer overloaded etc.).
- *List of any prior professional work/investigations* (e.g. geotechnical, report, preliminary town planning layout) and summary of main findings.
- *Attachments (essential):*
  - *An aerial photo or orthophoto showing settlement boundary* (recent Google Earth imagery sufficient).
- *Attachments (desirable):* Preferably (where resources permit) a set of preliminary site developability plans showing known information – each showing the project boundary with specific sets of relevant information:
  - *Preliminary development potential map* (showing each cadastral land parcel making up the project area and the estimated housing yield for each one).
  - *Preliminary constraints map* (showing all developable, marginal and undevelopable land<sup>18</sup>).
  - *Preliminary slope analysis* (using existing and available contours).
  - *Land legal* (cadastral boundaries, property names, ownership, extent).
  - *Services (infrastructure and social):* water mains, roads, electrical reticulation and substations, taxi ranks, schools, clinics, police stations etc.
- **Multi-year expenditure projections for informal settlement upgrading:** The service provider should compile a spreadsheet showing the rough budgetary requirements for settlements in different categories, the expected grant mechanism (e.g. UISP, USDG, MIG etc), the total cost for each settlement and the disaggregated projection for each over the next three to five years. Municipalities can then make use of for the planning and delivery of its informal settlement development programme as part of its MTEF budgeting processes. The MTEF would list all settlements by category and in terms of their priority with indicative budgets allocated to each one, and with the projected cash-flow for each for the next three-year period forecast.
- **Available vacant land (or buildings)** within the Municipality for potential relocations but only where desktop information permits (e.g. prior studies undertaken). RAC does not provide for this to be undertaken as a stand-alone investigation which makes new assessments and collects new information.

17. Either based on a visual estimation compared to established precedent densities on other settlements or via a household count off aerial imagery such as recent 'Google Earth' images.

18. Due to such factors as geotechnical or environmental constraints, land legal issues, absence of access to bulk services etc.

## 8. Timeframes

The timeframes required for RAC will be significantly affected by the geographic extent of the area to be covered (e.g. small municipality versus a large city versus a province). It will also be affected by a range of other factors already outlined under 'Budget'. The indicative schedule (timetable) is for a single, average-sized municipality and not a metro or province (in which case the timeframe could increase from approximately three months to between four and six). This schedule should therefore not be applied rigidly but used only as a rough guide.

Activity	Week												
	1	2	3	4	5	6	7	8	9	10	11	12	
<b>Phase 1: Project Inception</b>	■												
<b>Phase 2: Initial engagement, confirm settlement list and collect base information</b>		■	■	■	■	■	■						
<b>Phase 3: Site visits and community engagement</b>			■	■	■	■	■	■					
<b>Phase 4: Settlement-level assessments and categorisation</b>				■	■	■	■	■	■				
<b>Phase 5: Prioritisation and cash-flows (for MTEF &amp; HSP)</b>						■	■	■	■	■			
<b>Phase 6: Closeout</b>											■	■	

## 9. Budget requirements for RAC

It is noted that the budgetary requirements for RAC will vary significantly depending on the variability factors outlined in section 7.1. Depending on these factors (principally the number of settlements and geographic extent and related economies or dis-economies of scale), the budget per settlement might vary from as little as R10,000 to as much as R50,000.



## 10. Grant instruments/finance for upgrading

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

The following have emerged as being the main grant instruments which are relevant and useful in providing infrastructure, tenure and housing for informal settlements and in bringing improvements to various categories of settlements (A, B1, B2, C):

	Type of grant	Developmental application	Comments
<b>Grants which are critical</b>	Upgrading of Informal Settlements Programme (UISP) Grant <sup>19</sup>	<ul style="list-style-type: none"> <li>• Interim basic services</li> <li>• Land acquisition</li> <li>• Permanent services</li> <li>• Potentially also for emergency basic services</li> </ul>	Clarity required on provision of interim basic services prior to land acquisition, increasing value for ph. 1 and eligibility of emergency basic services.
	Urban Settlements Development Grant (USDG) <sup>20</sup>	<ul style="list-style-type: none"> <li>• Interim basic services</li> <li>• Emergency basic services</li> </ul>	Only available to Metros and certain high capacity / approved municipalities. Receives a high DHS MTEF budget allocation.
	Project Linked Subsidy (PLS) Grant	<ul style="list-style-type: none"> <li>• Top-structures</li> </ul>	No comment.
	<b>Emergency Housing Grant</b>	<ul style="list-style-type: none"> <li>• Emergency housing and basic infrastructure</li> </ul>	Essential in the case of providing temporary transit/relocation facilities.
	Municipal Infrastructure Grant (MIG) <sup>21</sup>	<ul style="list-style-type: none"> <li>• Emergency or interim basic services mainly in small municipalities and especially for peri-urban settlements which need to be rapidly delivered</li> </ul>	Relevant for small municipalities and in particular for peri-urban settlements (in the absence of another suitable, quick grant instrument).
<b>Grants which are potentially relevant</b>	New People's Housing Process Grant	<ul style="list-style-type: none"> <li>• Top-structures and associated PHP social, planning and capacitation processes</li> </ul>	Revised policy not yet fully activated e.g. implementation guidelines not yet completed.
	Integrated Residential Suburbs Grant	<ul style="list-style-type: none"> <li>• Integrated suburbs development</li> </ul>	May be useful in upgrades in the case of some precinct development projects.
	DRLDR grants such as the Settlement Land Acquisition Grant	<ul style="list-style-type: none"> <li>• Potentially for basic services on certain peri-urban settlements with a land reform history (although it is emphasised that it is principally intended for non-urban land reform and rural projects)</li> </ul>	May be suitable in certain cases although not generally recommended and noting that accessing funding from the DRLDR can be a very slow process.

19. Provided by the KZN DoHS as well as directly from the National DoHS to accredited municipalities.

20. To be provided directly to accredited or high capacity municipalities.

21. Though intended for non-urban infrastructure, MIG is relevant for small municipalities (which cannot access the USDG and noting the inherently slow process to access housing grants). It is especially relevant for peri-urban settlements and/or where basic services need to be rapidly delivered.



## 11. Stakeholder roles and responsibilities

Stakeholder (organisation)	Individuals/ groupings	Responsibility
Local Municipality	Council Selected Councillors Housing Dept. Municipal Engineering Dept.	Obtain list of informal settlements (locality and approximate size). Procure service provider to undertake RAC; manage SP contract; provide SP with available base information (e.g. HSP, GIS data, project data/reports etc.); attend project steering committee meetings and provide venue; assist in coordinating site visits and community leadership meetings; make inputs on evaluation and categorisation; review draft reports and profiles and make comments; review MTEF input from RAC process and update municipalities' MTEF; review and update municipal housing sector plan (informal settlement upgrading chapter); follow up to secure grant funding from various sources for next phases of projects as per developmental categorisations made.
Provincial Dept. of Human Settlements	Relevant Director Housing Managers & Monitors	Where necessary, appoint service provider and co-manage contract with Local Municipality. Assimilate learning into provincial plans and strategies. Adjust provincial budgets to accommodate revised municipal MTEFs and settlement categorisations.
Appointed Service Provider (private sector or NGO-based)	Director/CEO Project Manager Relevant professionals	Undertake entire RAC scope of work as outlined in section 7; liaise regularly with client; table milestone reports as per contract; assist in promoting municipal understanding of the new approach to upgrading, settlement categories and budgetary implications.
Community Leadership & Representatives	Ward Councillors Local leaders	Meet SP project team; provide local information; assist SP with on-site visit and with gaining safe access to the settlements; assist with community interviews and local communications.
Informal Settlement Community	Residents	Participate in the developmental process principally by providing local information via community leadership or direct to SP project team including in respect of key issues, needs, infrastructure and social services adequacy, livelihoods and economic activity, settlement demographics, special needs etc.
Government Line Departments (e.g. MIG, Social Development, Education etc.)	District level officials	Provide information; engage with the RAC process to identify areas where they can play a supportive developmental role (e.g. w.r.t addressing special needs or improving education access); where provincial grants such as MIG are required, adjust District MTEF budget.
Professionals with past involvement in the area		Provide reports and technical information to the SP team.

## 12. Categorisation guideline

The following categorisation guideline is foundational to understanding and successfully implementing RAC. This version is extracted from a 2010 HDA-PPT toolkit document and is almost identical to the ones contained in the 2010 KZN Informal Settlement Strategy and PPT's own informal settlement toolkits. This guideline should form the basis for the categorisation of informal settlements. It should be read in conjunction with the decision-making Flow Chart contained section 131. It is emphasised that effective categorisation and the selection of an appropriate developmental response can only occur once up-front preliminary assessment work has been completed in order to obtain an adequate profile of the settlement and site in question. It is noted that, in some instances, follow up technical feasibility work may expose a previously unforeseen obstacle (e.g. unstable geo-tech) at which time a re-classification of such a settlement may be necessary.

### **Factors affecting the selection of developmental responses:**

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

- The availability of budget for housing, land and infrastructure and how soon such budget will become available<sup>23</sup>;
- The level of need (poverty and relative deprivation) within the settlement (in particular in relation to decisions to provide emergency or interim basic services improvements);
- The locational suitability of the settlement (e.g. access to public transport, social facilities, employment etc.); and
- The developability of the site for possible formalisation (e.g. slope, land availability, bulk service availability, geotechnical and environmental constraints etc.).

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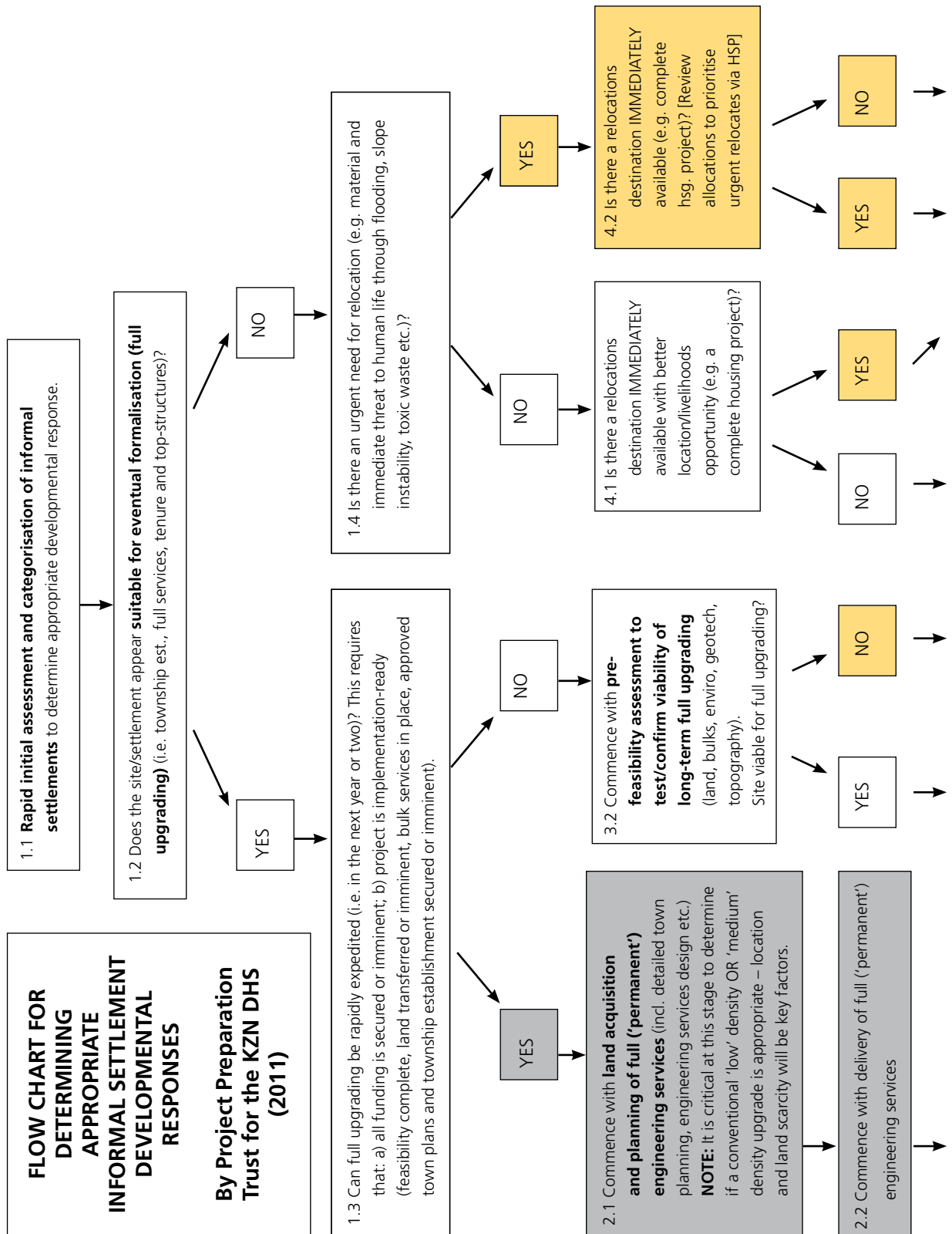
22. These are indicative percentages and are informed by the following factors: a) Achieving a good 'strategic' mix of investment and in particular rapidly bringing meaningful developmental improvements to as many informal settlements in an incremental fashion as possible as per Outcome 8; b) General trends in PPT's experience of informal settlement site developability (mainly in KZN) – i.e. there are relatively few informal settlement sites where full and conventional upgrading is both imminent and achievable or where health and safety conditions are critical AND a better alternative relocations site is imminently available.

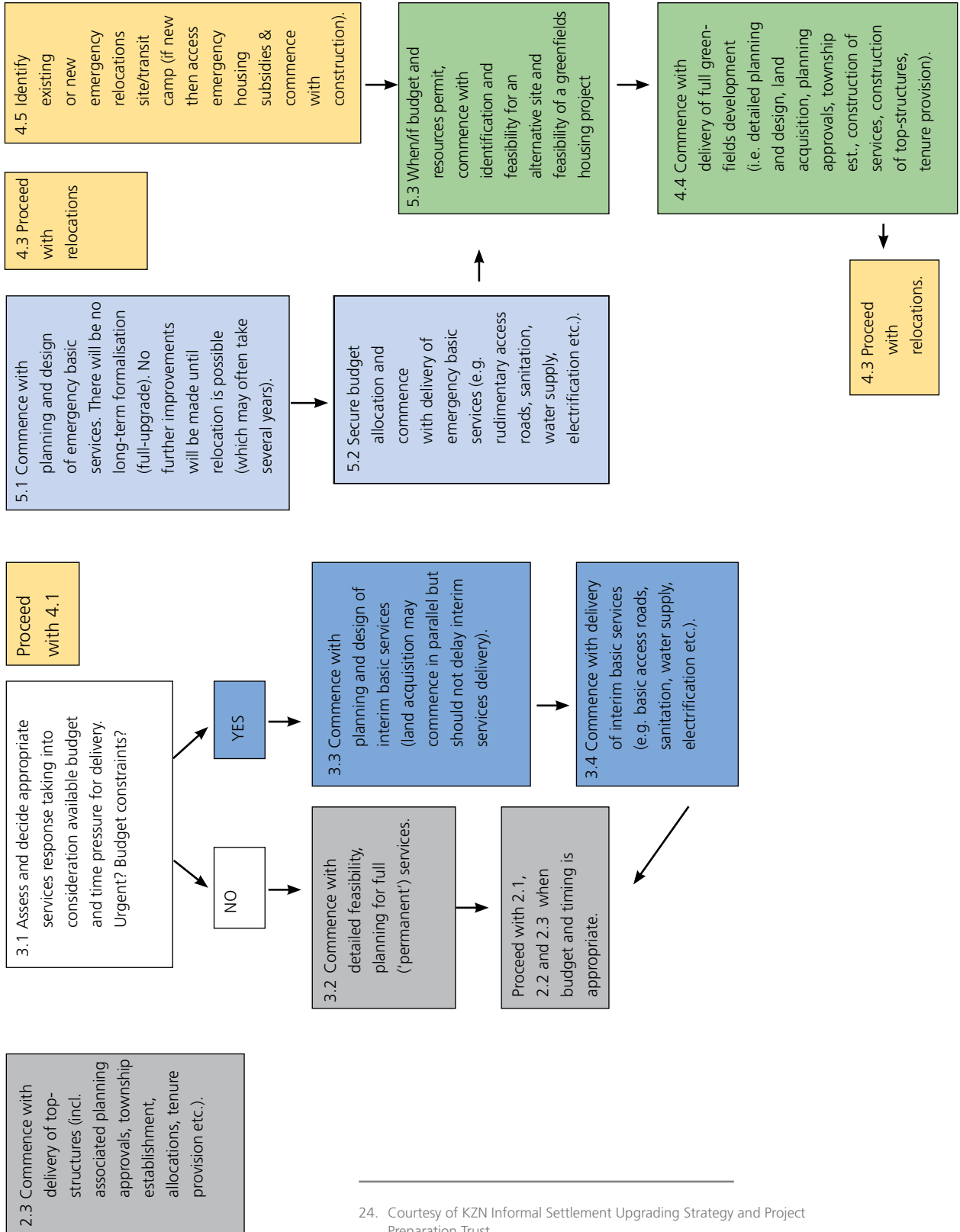
23. It is noted that there is a tendency for budget to become available more slowly than municipalities often anticipate (e.g. due to delays in processing subsidy applications, unresolved project issues, delays in signing agreements, a limited provincial housing budget, etc.). Delays may also result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

	Category	Criteria	Developmental response	Tenure	DEPTH RESPONSE:
A	<u>Imminent full upgrade</u>	<ul style="list-style-type: none"> <li>• <i>Site viable and appropriate</i> for long-term full upgrading/formalisation (land, bulk services, topography, environmental, geo-tech etc. all in place).</li> <li>• Project is implementation-ready (land secured or imminent, town planning approvals/township establishment secured or imminent, all project funding secured).</li> </ul>	Full upgrading including delivery of full infrastructural services, top-structures and tenure (including formal township establishment). Where land is scarce, promote densification. It is critical to ensure that there is integrated local spatial planning and action to enable access to key social services such as education and health care.	Individual and formal (either a title deed or locally administered alternative which is upgradeable to full title).	(approx. 10% <sup>22</sup> of total medium term delivery by HH)
B1	<u>Interim basic services</u> (eventual full upgrade when resources and timing permit)	<ul style="list-style-type: none"> <li>• <i>Site viable and appropriate</i> for long term full upgrading/formalisation (land, bulk services, topography, environmental, geo-tech all 'OK'). BUT:</li> <li>• <i>Project NOT implementation ready</i> (i.e. cannot be expedited in the next year or two e.g. due to lack of available funding, land not yet secured, bulk services not yet in place).</li> </ul>	Interim basic engineering services appropriate to the basic needs of the settlement and conforming with long-term upgrading plans/layout to avoid wasted expenditure where possible (e.g. standpipes, communal sanitation or on-site sanitation, basic road access or footpaths). It is critical that this goes hand in hand with other critical service interventions such as: fire protection, solid waste removal, access to basic health and education services etc.	Collective, informal & functional (via Municipal classification & recognition).	<b>BREADTH RESPONSE:</b> (approx. 40% of total medium-term delivery by HH)
B2	<u>Emergency basic services</u> (eventual relocation when time and resources permit)	<ul style="list-style-type: none"> <li>• <i>Site NOT viable and appropriate</i> for long-term full upgrading/formalisation. BUT:</li> <li>• <i>NO urgent need for relocation</i> (e.g. material and immediate and significant threat to health or safety through flooding, slope instability, toxic waste exposure etc.).</li> </ul>	Emergency basic engineering services appropriate to the basic needs of the settlement but typically to a lower level than for B1 and not needing to conform with long-term upgrade layout (e.g. standpipes, on-site sanitation or 'portaloos'). It is critical that this goes hand in hand with other critical service interventions such as: fire protection, solid waste removal, access to basic health and education services etc.	Collective and functional (via Municipal classification and recognition) – However – residents.	<b>BREADTH RESPONSE:</b> (approx. 40% of total medium-term delivery by HH)
C	<u>Imminent relocation</u>	<ul style="list-style-type: none"> <li>• <i>Site NOT viable and appropriate</i> for long term full upgrading/formalisation AND:</li> <li>• <i>Urgent need for relocation</i> (e.g. material and immediate and significant threat to health or safety through flooding, slope instability, toxic waste exposure etc.).</li> <li>• <i>Relocations destination available</i> (either in situ upgrade or green-fields project with unallocated sites OR site for emergency transit camp and emergency funding available from DHS).</li> </ul>	No action on the site in question. Participative and consultative process required with residents including site visits to potential relocations destinations. Where the relocations destination is a temporary transit facility then site feasibility is conducted, emergency DHS funding secured. Temporary transit facilities should only be utilised where this is unavoidable as they often pose major challenges to relocatees and tend to become permanent or semi-permanent.	Not applicable – If relocations destination is a housing project then as for category A; if a transit camp, then for functional tenure only.	<b>DEPTH RESPONSE:</b> (approx. 10% of total medium-term delivery by HH)

# 13. Flow chart (for categorisation process)<sup>24</sup>

(see following page)





24. Courtesy of KZN Informal Settlement Upgrading Strategy and Project Preparation Trust.

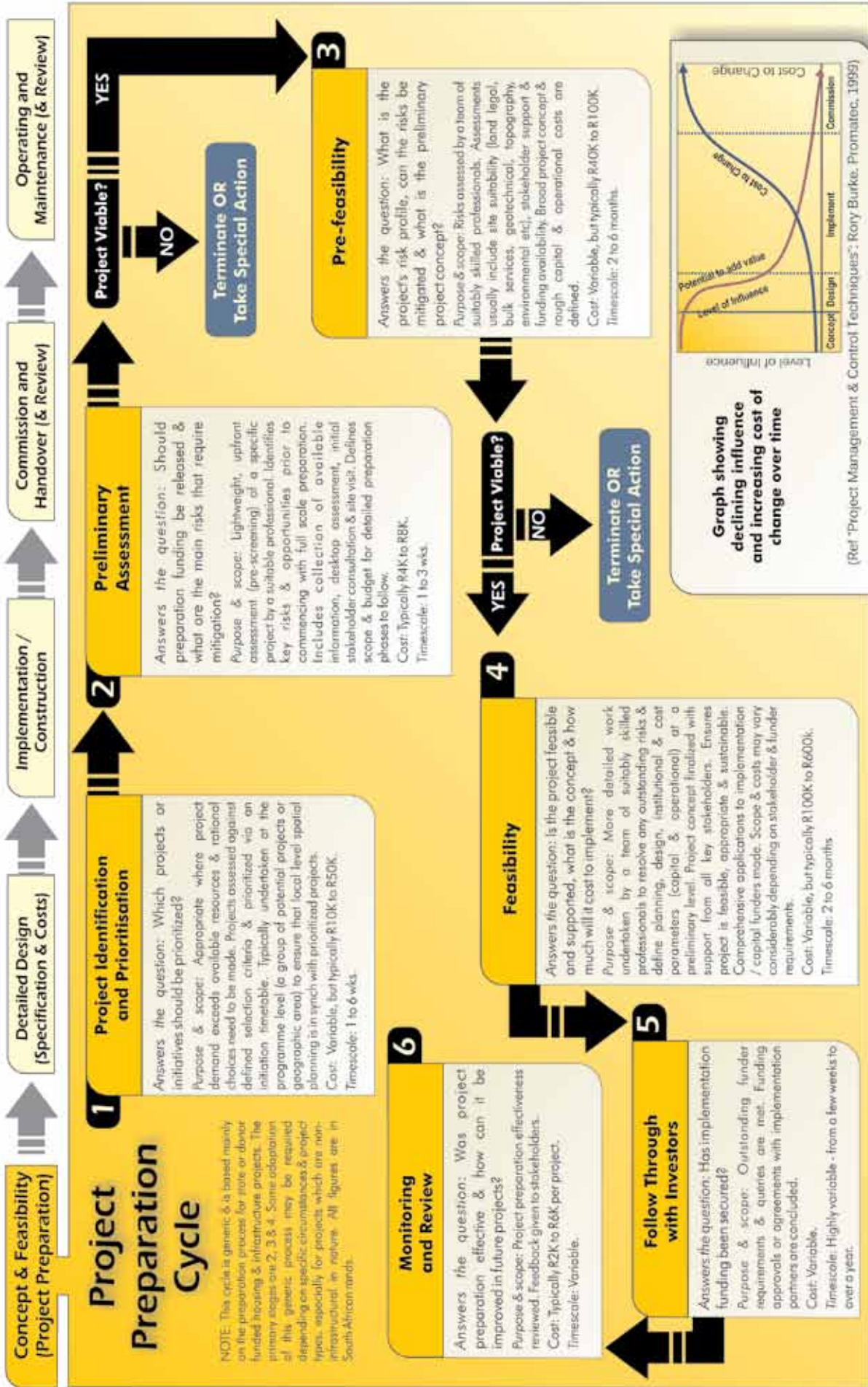
Full upgrading and permanent engineering services	Interim basic services	Emergency basic services	Relocations and Greenfields projects
Approx. 10% Of delivery response by HH	Approx. 40% Of delivery response by HH	Approx. 40% Of delivery response by HH	Approx. 10% Of delivery response by HH
Approx. 30% Of delivery response by budget	Approx 35% of delivery response by budget	Approx 25% of delivery response by budget	Approx 10% of delivery response by budget
Depth response (qualitative and costly)	Breadth response which lays platform for later depth response	Breadth response	Depth response

## 14. Project preparation cycle (see following page)

It is important to understand RAC in terms of its role within the project preparation and project process. RAC is located at the 'project identification and prioritisation' and 'preliminary assessment' stages of the project preparation cycle. Its function is to help structure human settlement development programmes, but further pre-feasibility, feasibility and project planning work (including specialist studies) is required to get specific projects (e.g. interim services or low income housing delivery) implementation-ready. The confidence index of a site developability assessment at the RAC stage is probably in the order of 75% whereas this confidence index goes up to around 95% at the pre-feasibility and feasibility stages.



# Project Cycle





## 15. Overall upgrading and urban management framework<sup>25</sup> (see following page)

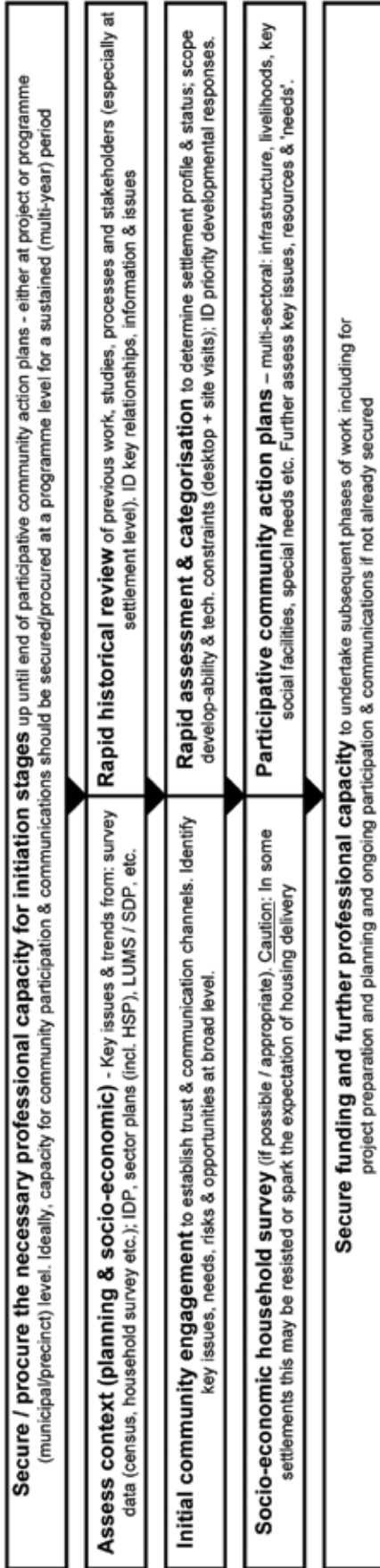
It is suggested that this Framework developed previously by PPT in consultation with and for the Housing Development Agency be considered prior to undertaking RAC processes given that it contextualises RAC within the broader processes and functions associated with long-term programmatic and proactive management and support of informal settlements within a particular municipality. RAC plays a pivotal early role within this Framework by establishing key settlement information and likely developmental trajectory at a relatively early stage.



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25. Courtesy of the Housing Development Agency and Project Preparation Trust.

## Informal Settlement Improvement, Inclusion, Transformation & Urban Management Overall Summary Framework & Process



	Expedite rapid responses & vulnerability mitigation				Address spatial / precinct level development				Where and when appropriate - formalisation				
	Plan, design & deliver either interim or emergency basic services (e.g. water, sanitation, access, fire protection, solid waste removal). Possible preliminary layout & proactive emergency housing.	Special needs response plans (e.g. home based care, early childhood dev., child headed households, HIV prevention & treatment)	Support for livelihoods & informal enterprise - including enterprise dev. support, food gardens etc.	Basic / functional tenure (e.g. administrative settlement recognition)	Participative LED plan - based on engagement with local informal and formal enterprise	Key social facilities assessment / investment / response plan (e.g. primary health, education etc.)	Precinct level master plans (road hierarchy, activity centres, key social facilities etc.)	Land identification & assessment (for possible full upgrading / relocation / green-fields dev. / incr. dev. area)	Land acquisition (for possible full upgrading / relocation / green-fields dev. / incremental dev. area)	Relocation / resettlement - Last resort (e.g. to green-fields housing / incremental development area)	Permanent tenure solution (not necessarily title deeds)	Permanent services & township establishment including planning / EIA approvals etc.	Housing delivery (preferably med. density including 'self-help' / PHP housing)
TIME	ST	ST	ST	ST	ST	ST/MT	ST/MT	MT/ALT	MT/ALT	MT/ALT	MT/ALT	MT/ALT	MT/ALT
SCALE	settlement	settlement	settlement	settlement	settlement	precinct	settlement	settlement	settlement	settlement	settlement	settlement	settlement
COST	moderate	moderate	low	low	low	moderate	low	low	moderate to high	moderate to high	high	high	high
GRANT	EH / USDG / UISP	Mun / DoSD / DOH	Mun, DED	UISP	Mun / DED	Mun, DE, DOH	Mun / UISP	Mun / UISP	Mun / UISP	UISP	UISP	UISP	UISP
GOVT	Mun	Mun, DoSD, DOH	Mun, DED	Mun	Mun	Mun, DoSD, DOH	Mun	Mun, DoHS	Mun, DoHS	Mun	Mun, DoHS	Mun, DoHS	Mun, DoHS

Abbreviations			
ST = 6 - 19 months	DED = Department of Economic Development	DoSD = Department of Social Development	EH = Emergency Housing
MT = 1 - 2 years	DE = Department of Education	UISP = Upgrading Informal Settlement Programme	DoHS = Department of Human Settlements
LT = 2 - 10 years	DOH = Department of Health	USDG = Urban Settlement Development Grant	Mun = Municipality

## 16. Tenure options

### 16.1. Overview of different forms of tenure

Whilst there is a range of potential tenure options and there has been much debate on the use of alternative forms of tenure, in reality the workable options available for a municipality are somewhat limited. The following table, however, provides an overview of different tenure options and their potential relevance and usefulness in incremental informal settlement upgrading:

<i>Tenure 'Continuum': Relationship between different tenure forms and the developmental responses/benefits they could enable:</i>				
Form of tenure	Characteristics	Benefits conferred and appropriate developmental responses	Commentary	Viability for I.S. upgrading?
1. <b>Municipal administrative recognition</b> <sup>26</sup> (municipal statement arising from e.g. Council resolution adopting certain settlements as being 'informal settlement development areas').	'Collective' (settlement level) and unregulated.	<ul style="list-style-type: none"> <li><i>Confers</i>: Functional security of tenure/freedom from fear of eviction</li> <li><i>Enables</i>: Basic/emergency infrastructure (e.g. water, sanitation, road access). Other basic services (e.g. solid waste collection, fire protection, primary health care, education, public transport). Livelihoods responses (e.g. food security, micro enterprise development, LED, job creation).</li> </ul>	Enabling, cost effective and streamlined. Lays a good foundation for further tenure responses if appropriate.	<b>Yes.</b> Interim and emergency basic services
2. <b>Informal settlement special zone</b>	'Collective' (settlement level) and unregulated (at individual tenure level).	<ul style="list-style-type: none"> <li><i>Confers</i>: As for '1' (Functional security of tenure/freedom from fear of eviction)</li> <li><i>Enables</i>: As for '1'. In addition it would provide additional security for the Municipality to acquire the land in question and provide full services (provided full upgrading for the settlement is in its short-term plans).</li> </ul>	Being piloted by City of Johannesburg. Adds an additional level of planning regularisation at additional effort and cost.	Not yet. But consider testing via pilot projects.

Increasing tenure security, difficulty, complexity & cost

Form of tenure	Characteristics	Benefits conferred and appropriate developmental responses	Commentary	Viable for I.S. upgrading?
3. <b>Community administered register</b> <sup>27</sup> (does not require an IS zone as a prerequisite).	Individual and informally regulated.	<ul style="list-style-type: none"> <li>• <i>Confers</i>: Some level of tenure security to residents PROVIDED the local administering structure is relatively accountable and free from partisan influence.</li> <li>• <i>Enables</i>: A community register may assist in various ways: <ul style="list-style-type: none"> <li>– regulating uncontrolled additional influx into a settlement;</li> <li>– limiting increasing and problematic densification;</li> <li>– facilitating the allocation and re-allocation of sites. and</li> <li>– enabling residents to get a letter from the Municipality/Ward Councillor confirming their de-facto residence in the settlement, which can in turn assist in gaining access to employment, schools and health care.</li> </ul> </li> </ul>	Has limited enforceability. Unlikely to be significantly supported by Municipalities. Could however be a precursor to a Municipal register.	No. But consider testing via pilot projects where municipalities have interest.
4. <b>Municipal/state administered register</b> <sup>28</sup> (does not require an IS zone as a pre-requisite – but municipalities may regard this as preferable)	Individual and formally regulated.	<ul style="list-style-type: none"> <li>• <i>Confers</i>: A high level of tenure security to residents.</li> <li>• <i>Enables</i>: Could potentially be considered a sufficient form of tenure for the delivery of top-structures, in which case the provision of a certificate may be provided upon request/as and when the need arises. In this case the register is a precursor/intermediate step to a locally administered tenure certificate.</li> </ul>	Has significant potential in the long-term as a more flexible, cost-effective and appropriate alternative to title deeds.	No. But consider testing via pilot projects where municipalities have interest.
5. <b>Locally-administered tenure certificate</b> (e.g. Municipal certificate of occupation/PTO/ Deed of grant) <sup>29</sup>	Individual and formally regulated.	<ul style="list-style-type: none"> <li>• <i>Confers</i>: A very high level of tenure security to residents.</li> <li>• <i>Enables</i>: <ul style="list-style-type: none"> <li>• <i>Top-structures</i>: If related DHS policy issues can be addressed, this should be sufficient for the delivery of top-structures (although it is considered that a local register may also suffice). It is important that certificates can be generated quickly and accurately for residents as and when necessary). This naturally imposes an additional administrative burden on the Municipality.</li> <li>• <i>Transactions</i>: More streamlined and cost effective local property transactions. May help reduce informal transactions.</li> <li>• Upgrade to full title (when desired or necessary).</li> </ul> </li> </ul>	Has significant potential in the long-term as a more flexible, cost effective and appropriate alternative to title deeds.	Yes. But needs to be tested via pilot projects where municipalities have interest.

26. Such a statement would need to be informed by an assessment and categorisation of informal settlements. It would need to communicate: a) that the Municipality recognises the settlements in question; b) that residents will not be relocated unless there is another housing solution provided; c) that the Municipality commits to work together with the settlements in question regarding the provision of certain basic services. This means that the community has a right to remain in the settlement, and indeed may have the right to the provision of certain emergency services. However, no attempt is made to intervene or control at the individual tenure level, nor would such intervention be realistic or advisable at this stage.

Form of tenure	Characteristics	Benefits conferred and appropriate developmental responses	Commentary	Viable for I.S. upgrading?
5. Title deed	Individual and formally regulated	<ul style="list-style-type: none"> <li>• <i>Confers</i>: A very high level of tenure security to residents.</li> <li>• <i>Enables</i>: <ul style="list-style-type: none"> <li>• Residents to raise bond finance for consolidation/extension of top-structures. Property transactions via deeds office.</li> <li>• Residents want to use their house as collateral or security.</li> </ul> </li> </ul>	Poses major problems in low income communities and low income housing projects. Owners typically sell sites illegally – part due to the five year moratorium on selling an ‘RDP’ house but perhaps also because a title deed is out of ‘sync’ with traditional property transactions which are undocumented but locally witnessed.	Yes – but only for full/ conventional upgrading and until a more streamlined form of tenure is in place.

27. NOTES: 1) In this scenario, the state does not attempt to record, regulate or control individual tenure, nor does it regard this as being necessary or functional (e.g. due to the risks of disrupting or threatening local power bases). In the event that the Municipality feels that it needs to exert such control, then a municipal register would probably be a better means of achieving this. 2) It may be an option for a Municipality to recognise such a register where it and the local community structure has general community recognition (and perhaps also recognition by the Ward Councillor). It would however probably be unwise for the Municipality to take the additional step of obtaining or utilising the community’s register because: a) this would expose the identities of residents, including illegal migrants or those involved in illegal activities, and therefore have the potential for generating conflict and fear; b) this may create the expectation of a higher level of government response (e.g. provision of a housing subsidy); c) this would tend to confer an unintended level of legitimacy or authority on the community register. 4) In cases where no register exists it may be inadvisable for the Municipality to initiate or facilitate a community administered register for a range of reasons.

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

## 16.2. Problems with the utilisation of title deeds

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

- *Moratorium*: There is a DHS moratorium on selling a government subsidised house within the first five years after it has been transferred to a beneficiary. This makes any transaction by a beneficiary within this time effectively an illegal transaction. Whilst well-intended, this restriction effectively encumbers the property and reduces its market value in the hands of the beneficiary. It does not appear to achieve its objectives and instead promotes and encourages unintended outcomes including the potential devaluation of low income housing stock and proliferation of informal property transactions.
- *Cost*: The system of formal title administered through the deeds office is relatively costly since it entails conveyancer and deeds office fees.
- *Tradition*: The system of formal title administered through the deeds office is a foreign concept to many beneficiaries and is out of sync with traditional property transactions which are not usually documented but are instead witnessed by local people.

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

## 16.3. Functional tenure for basic infrastructure

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



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