



PARTICIPANTS

Section 5

A Programmatic Approach to Municipal Informal Settlement Upgrading



SECTION 5: A PROGRAMMATIC APPROACH TO MUNICIPAL INFORMAL SETTLEMENT UPGRADING

Summary

A programmatic approach to informal settlement 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

For more details see
Section 5, item 1.1

by a philosophy of eradicating informal settlements and giving preference to formalisation and the delivery of BNG-style housing is now recognised as being unworkable on any large scale and unsustainable. **The new approach to upgrading informal settlements starts with formulating a programmatic approach within a municipality or province.**

Programme level	✓
Settlement level	

This acknowledges that addressing the informal settlement

challenge cannot be achieved by responding to informal settlements in an ad hoc, reactive, and unsystematic fashion.

A programmatic approach to upgrading is one that simultaneously **focuses on a number of projects or upgrading initiatives, usually within a specific geographic area** (typically a municipality, district or province). Using simple and rapid evaluation techniques an understanding is obtained of the circumstances of each settlement in the area and on the basis of this each settlement is categorised in terms of how it will be addressed in the future. An overall plan for addressing all of the settlements in the area is formulated. Simultaneously every settlement in the area is provided with basic or emergency services. Upgrading of the settlements in the area is then undertaken in terms of the plan formulated and budget availability. 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 interim and incremental in nature. In the short-term, typically many features of informality will remain, but meaningful improvements in terms of quality of life will need to be achieved.

A programmatic approach is necessary and beneficial because it helps to ensure that:

For more details see
Section 5, item 1.2

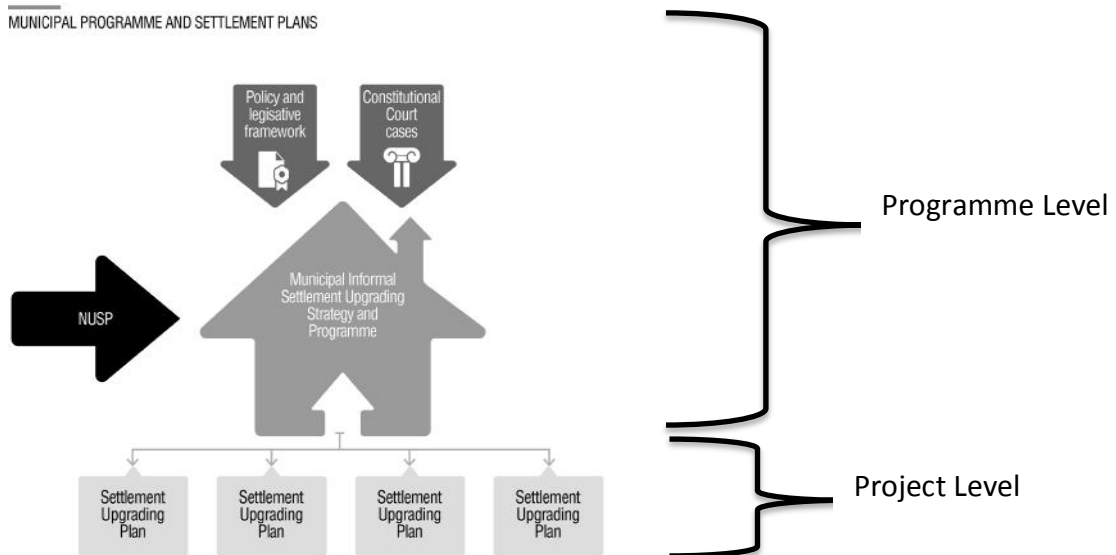
- All informal settlements are included.
- A range of achievable, relevant and realistic developmental pathways are formulated for each and every settlement (both short- and long-term).
- All settlements receive a minimum level of assistance (interim arrangements).
- A proactive instead of reactive approach is applied.
- Appropriate responses are provided for different types of settlement.

- The response is rapid.
- Relocations and livelihood disruptions are minimised.
- The development pathway for each informal settlement is implemented and sustained in an effective and co-ordinated fashion.
- Effective multi-year budgeting for upgrading is made possible.
- Better institutional co-ordination and communication occurs.
- Plans are informed by an understanding of the total demand arising from all projects within a particular municipality.
- An improved and more functional relationship between informal settlement residents and government occurs.

As detailed in Section 3, the policy and legislative framework in South Africa, starting with the Constitution and culminating in the revised Housing Code, Outcome 8, the NDP and MTEF have created a framework for how informal settlements should be addressed. Within this framework NUSP provides support and is promoting an approach whereby each municipality develops:

For more details see Section 5, item 1.3

- An **informal settlement upgrading strategy and programme** at the programme level that focuses on the basis on which every informal settlement in its jurisdiction will be addressed. (This is the focus of this module.)
- A **settlement upgrading plan** for each informal settlement that sets out the basis on which the settlement will initially receive interim services and will be upgraded over time. (This is the focus of Section 10.)



Work streams in upgrading programmes and projects

There is a set of nine different work streams that typically make up an informal settlement upgrading programme. Work streams are defined as “areas of activity into which a programme plan may be divided in order to facilitate implementation”. The nine work streams are typically:

For more details see
Section 5, item 2

1. Health and safety/emergency services (This is detailed in Section 6.)
2. Tenure rights (This is detailed in Section 7.)
3. Layout/settlement planning (This is detailed in Section 8.)
4. Relocations or re-blocking (This is detailed in Section 6.)
5. Urban services infrastructure installation (This is detailed in Section 8.)
6. Public domain/social infrastructure (This is detailed in Section 13.)
7. Housing consolidation support (This is detailed in Section 9.)
8. Social development (This is detailed in Section 13.)
9. Urban management (This is detailed in Section 13.)

One of the first steps in organising for informal settlement upgrading is to ensure that the activities associated with these work streams are placed correctly at either the programme level (Informal Settlement Upgrading Strategy and Programme) or at the project level (Settlement Upgrading Plan). The types of activities that are better performed at the informal settlement upgrading strategy (programme level) are those that:

- Represent a shared issue/requirement across a number of the individual informal settlements in the geographic area or the municipality as a whole.
- Require policy change, new standards, or operating procedures across the municipality or even at a provincial level.
- Require high level approval/support within the municipal hierarchy.
- Need ongoing attention and are not be able to be resolved or completed in the short- to medium-term.

Those activities generally better executed at the settlement upgrading plan level (project level) are those that:

- Need high levels of community participation, (such as re-organising a block of houses to create space for services).
- Need an intensive level of spatial co-ordination with other actions in the area (such as co-ordinating water supply pipes with access path construction).
- Need an activity to be specifically designed to match the local context (a generic approach will not work), such as installing a local access system.
- Require actions that will be completed within a defined time frame.

Assessment and categorisation

Assessment and categorization (AC) is sometimes also called rapid assessment and categorisation (RAC). It is the process of assessing and evaluating all informal settlements within a specific geographic area (municipality or province) in order to determine what categories of developmental responses are appropriate and achievable for each settlement. AC is based primarily on desktop information (including existing technical studies), site visits, and initial stakeholder engagements. In undertaking AC the purpose is to be able to deliver meaningful responses to all informal settlements rapidly and to avoid leaving certain settlements on a developmental back-burner.

For more details see
Section 5, item 3.1 &
3.2

The key determinant of informal settlement categorisation is whether or not a particular piece of land is suitable for permanent human settlement. This determines whether or not in the long-term a settlement will be upgraded (on either a formal or less formal basis) in situ or relocated. The following are regarded as the most critical key factors for determining if land is suitable for settlement upgrading: geotechnical conditions, environmental conditions, topography, bulk services availability, locational suitability, land legal issues and land availability. Site suitability for permanent settlement is the main determining factor. Irrespective of settlement category, minimum interim arrangements (including mitigation of health and safety threats, basic services provision and community participation) should always be provided.

For more details see
Section 5, item 3.3

The AC categorisation framework currently being used is the NUSP Rapid Assessment and Categorisation (RAC) framework separates informal settlements into two categories:

1. Those that are suitable for permanent human settlements, either via conventional formalisation or via an incremental, less formal type of permanent settlement solution. They are viable for upgrading.
2. Those that are not suitable and which will need to be relocated (either immediately or in the future). They are not viable for upgrading

Within these two broad categories there are different sub-categories. It is important to note that all settlements are different and a one-size-fits-all approach cannot be adopted. Each settlement will require a response suited to its specific circumstances and characteristics.

For more details see
Section 5, item 3.4

A typical AC process includes:

- Collect and assess available base information
- Conduct site assessment visits.
- Engage with communities, municipal officials and councillors
- Develop a final and inclusive informal settlement list.
- Develop preliminary technical assessments and base plans for each settlement.

For more details see
Section 5, item 3.5

- Develop a final prioritisation list to cover all identified informal settlements showing categorisation and priority.
- Draw up cash-flow projections (multi-year) for each settlement based on its categorisation and the presumed grant funding sources to be utilised (e.g. UISP vs USDG vs MIG).

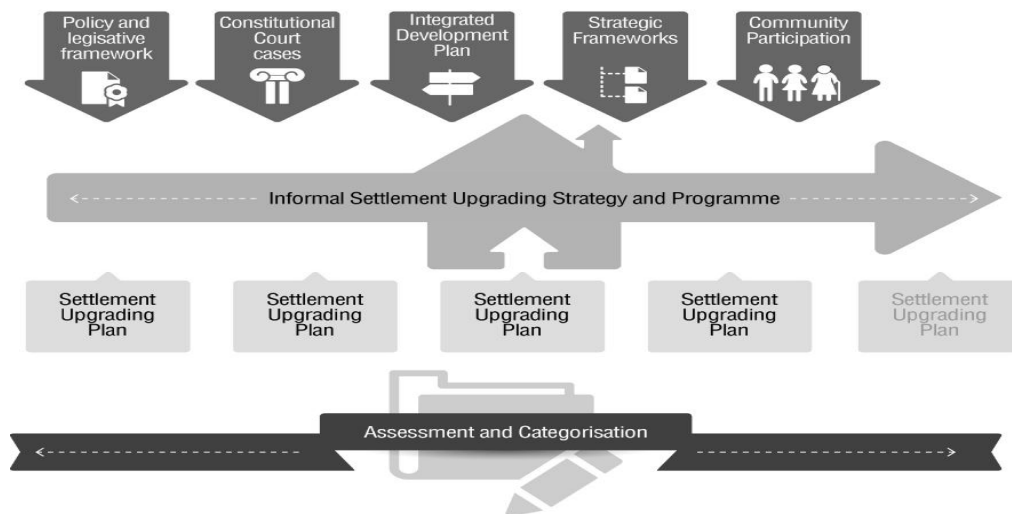
Developing an Informal Settlement Upgrading Strategy and Programme

The following informs an upgrading strategy:

For more details see Section 5, item 4

- Assessment and categorisation.
- The imperative of providing at least a minimum level of developmental assistance.
- The municipality's Integrated Development Plan (IDP), Housing Sector Plan and other spatial development frameworks and land use management plans.
- Any relevant provincial plans or strategies.
- Budget availability.
- Implementation timeframes.
- The nature of housing demand in the municipality.

INPUTS INTO THE UPGRADING STRATEGY AND PROGRAMME



There are usually insufficient resources (human, financial, land) to upgrade all settlements simultaneously and to the same degree. A critical part of developing an upgrading strategy is **prioritising which developmental responses should achieve the greatest priority**, taking into consideration the information collected as part of the AC process outlined above.

For references and resources click here

Content

1. A programmatic approach to informal settlement upgrading

1.1 What is a programmatic approach?

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 informal settlements and giving preference to formalisation and the delivery of BNG -style housing is now recognised as being unworkable on any large scale and unsustainable. **The new approach to upgrading informal settlements starts with formulating a programmatic approach within a municipality or province.** This acknowledges that addressing the informal settlement challenge cannot be achieved by responding to informal settlements in an ad hoc, reactive, and unsystematic fashion.

This was outlined in Section 1.

Programme level	√
Settlement level	

A programmatic approach to upgrading is one that simultaneously **focuses on a number of projects or upgrading initiatives, usually within a specific geographic area** (typically a municipality, district or province). Using simple and rapid evaluation techniques an understanding is obtained of the circumstances of each settlement in the area and on the basis of this each settlement is categorised in terms of how it will be addressed in the future. An overall plan for addressing all of the settlements in the area is formulated. Simultaneously every settlement in the area is provided with basic or emergency services. Upgrading of the settlements in the area is then undertaken in terms of the plan formulated and budget availability.

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 interim and incremental in nature.

In the short-term, typically many features of informality will remain, but meaningful improvements in terms of quality of life will need to be achieved. Examples of this type of improvement include 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, job creation.

1.2 The benefits of a programmatic approach

A programmatic approach is necessary and beneficial because it helps to ensure that:

- **All informal settlements are included.** All informal settlements are identified and assessed upfront. The number, size and characteristics of informal settlements at municipal and provincial level is understood and mapped out based on information collection, assessment work and stakeholder engagement. This includes the categorisation of every informal settlement.
- **A range of achievable, relevant and realistic developmental pathways are formulated** for each and every settlement (both short- and long-term) depending on their characteristics, development potential and how quickly various project milestones, such as land assembly or bulk services provision, can be reached.
- **All settlements receive a minimum level of assistance (interim arrangements).** Various forms of positive and appropriate actions are taken for every settlement. No settlements are left out for any reason. At a minimum, all settlements receive some level of basic services, lessening of health and safety threats, administrative recognition, and where possible, improved access to key social services such as education and health care.
- **A proactive instead of reactive approach is applied.** Instead of reacting to community pressures and situations of crisis, municipalities are able to proactively identify informal settlement challenges, formulate practical short- and long-term plans and take preventative actions.
- **Appropriate responses are provided for different types of settlement.** A one-size-fits-all approach is avoided. Upgrading plans are informed by data on the number, size, and characteristics of specific informal settlements. (This is as a result of assessment and categorisation.)
- **The response is rapid.** Delays in responding to critical informal settlement needs are greatly reduced through improved information, better budgeting, and a greater diversity of responses, which are more incremental and achievable.
- **Relocations and livelihood disruptions are minimised.** Relocations are undertaken only as a last resort and with careful regard for the potential impact on the livelihoods of residents. As a result of better information about each settlement within the overall municipal context, relocations are more easily minimised and where they do occur, their negative consequences are more easily reduced (for example by addressing access to key social needs).
- The **development pathway** for each informal settlement **is implemented and sustained** in an effective and co-ordinated fashion.
- **Effective multi-year budgeting for upgrading is made possible.** The necessary budget and other resources are allocated across a multiple year period (within the

A developmental pathway is a plan that sets out how the informal settlement will be upgraded over time.

This is outlined in Section 3.

Medium-Term Expenditure Framework) to ensure that upgrading responses can be achieved.

- **Better institutional co-ordination and communication occurs.** To achieve success in upgrading, municipal line departments (e.g. housing, infrastructure, economic development, health) must communicate and co-ordinate. For example, if the housing chapter includes providing interim services to a number of settlements, that must be included in the plans and budgets of the engineering department.
- **Plans need to be informed by an understanding of the total demand** arising from all projects within a particular municipality. Similarly, the municipality and key provincial departments (e.g. human settlements, health, education, social development) must communicate and co-ordinate around social services, such as schools and clinics. A programmatic approach provides the information and a common basis around which this can occur.
- **An improved and more functional relationship between informal settlement residents and government occurs.** There is sustained engagement between government and communities in respect of upgrading plans and their programmatic timeframes. Informal settlement residents are more fully included and there is a greater sense of realism about what can actually be achieved. There is a shift away from broken promises towards greater trust and partnership. There is improved transparency and accountability.

Click here to see video 'A policy and strategy for upgrading'



1.3 How does a programmatic approach fit into policy frameworks?

As detailed in Section 3, the policy and legislative framework in South Africa, starting with the Constitution and culminating in the revised Housing Code, Outcome 8, the NDP and MTEF has created a framework for how informal settlements should be addressed. The key characteristics of the approach are:

Care:

- Working with, and not against, informality.
- Ensuring that **livelihoods and economic opportunities** are protected and supported.
- **Integrating** and including informal settlements into the planning of cities and towns.
- **Understanding** informal settlements in their spatial and socio-economic context.

Listen:

- Ensuring **meaningful community participation**, engagement and local ownership.

Upgrade:

- Giving priority to the upgrading and improvement of informal settlements in situ with relocations only being undertaken as a last resort.

- **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).
- Maximizing the use of scarce land.

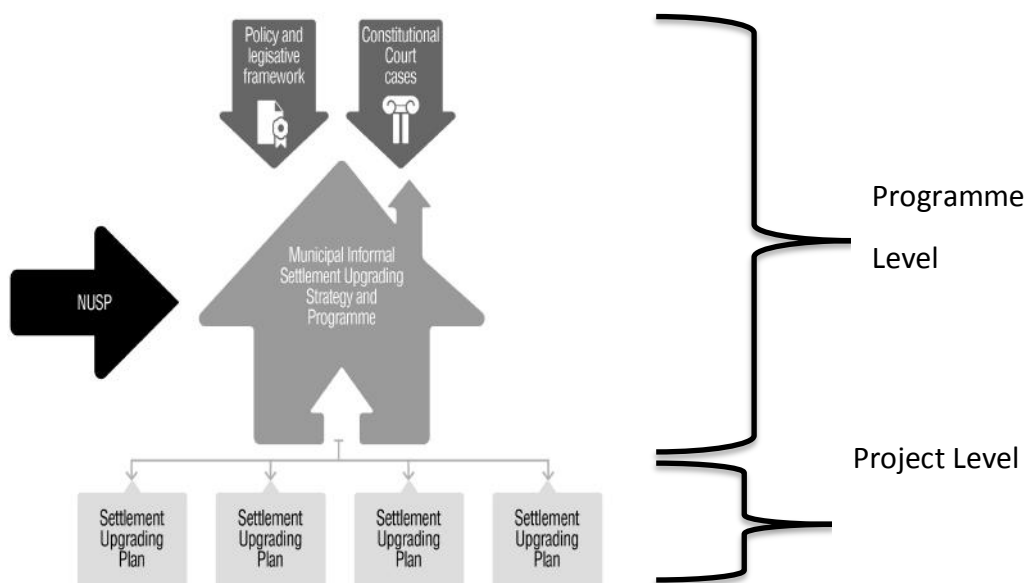
Act swiftly:

- **Ensuring that there is a rapid response at scale** for all informal settlements within the municipal areas with no informal settlements left out.
- **Multi-pronged and flexible** with a range of different responses, which are responsive to, and appropriate for, local conditions.

Within this framework NUSP provides support and is promoting an approach whereby each municipality develops:

- An **informal settlement upgrading strategy and programme** at the programme level that focuses on the basis on which every informal settlement in its jurisdiction will be addressed. This is on the basis that every informal settlement will receive interim services in the short-term and that a long-term development response appropriate to the informal settlement will be implemented on a prioritized basis. (This is the focus of this module.) The upgrading strategy and programme must be linked into and integrated with the plans of the municipality and therefore must be aligned with the Spatial Development Framework, Integrated Development Plan, Annual Performance Plan.
- A **settlement upgrading plan** for each informal settlement that sets out the basis on which the settlement will initially receive interim services and will be upgraded over time. (This is the focus of Section 10.)

MUNICIPAL PROGRAMME AND SETTLEMENT PLANS



2. Work streams in upgrading programmes and projects

There is a set of nine different work streams that typically make up an informal settlement upgrading programme. Work streams are defined as “areas of activity into which a programme plan may be divided in order to facilitate implementation”. The nine work streams are typically:

3. **Health and safety/emergency services:** Securing the health and safety of settlement residents through addressing risks such as fire, flooding, slope stability, emergency vehicle access. (This is detailed in Section 6.)
4. **Tenure rights:** Providing and progressively enhancing tenure security and land rights. (This is detailed in Section 7.)
5. **Layout/settlement planning:** Arranging and rearranging development and land uses and defining boundaries, through participative planning and layout formation processes. (This is detailed in Section 8.)
6. **Relocations or re-blocking:** Managing the processes of household/dwelling repositioning where this is necessary to secure safety or the provision of services. (This is detailed in Section 6.)
7. **Urban services infrastructure installation:** Providing and progressively upgrading urban services such as water, access, sewerage, electricity, storm water and solid waste management. (This is detailed in Section 8.)
8. **Public domain/social infrastructure:** Planning and managing public investments in social facilities and services (police, education, healthcare, recreation) and the public realm (open spaces, roads). (This is detailed in Section 13.)
9. **Housing consolidation support:** Providing support to residents to assist them to extend and improve their homes. (This is detailed in Section 9.)
10. **Social development:** Strengthening of community ties, networks, institutions, and individual and group capacities and then progressively integrating the settlement and its residents into the mainstream of urban life. (This is detailed in Section 13.)
11. **Urban management:** Establishing the systems and capacity to maintain and operate the infrastructure and services, including collecting revenue from operating the services. This also includes strengthening mechanisms for regulation within the settlement. (This is detailed in Section 13.)

Programme level	?
Settlement level	?

One of the first steps in organising for informal settlement upgrading is to ensure that the activities associated with these work streams are placed correctly at either the programme level (Informal Settlement Upgrading Strategy and Programme) or at the project level (Settlement Upgrading Plan).

The types of activities that are better performed at the informal settlement upgrading strategy (programme level) are those that:

- Represent a shared issue/requirement across a number of the individual informal settlements in the geographic area or the municipality as a whole. For example, developing a simple and quick system for surveying and registering informal settlement residents.
- Require policy change, new standards, or operating procedures across the municipality or even at a provincial level. For example, developing new standards for pedestrian access routes in dense informal settlements.
- Require high level approval/support within the municipal hierarchy. For example adoption of a system for granting of basic tenure rights to informal settlement residents.
- Need ongoing attention and are not be able to be resolved or completed in the short- to medium-term. For example, developing new approaches to building regulation that recognise informality and support incremental improvements of shacks.

Those activities generally better executed at the settlement upgrading plan level (project level) are those that:

- Need high levels of community participation, (such as re-organising a block of houses to create space for services).
- Need an intensive level of spatial co-ordination with other actions in the area (such as co-ordinating water supply pipes with access path construction).
- Need an activity to be specifically designed to match the local context (a generic approach will not work), such as installing a local access system.
- Require actions that will be completed within a defined time frame.

3. Assessment and categorisation

3.1 What is assessment and categorisation?

Assessment and categorization (AC) is sometimes also called rapid assessment and categorisation (RAC). It is the process of assessing and evaluating all informal settlements within a specific geographic area (municipality or province) in order to determine what categories of developmental responses are appropriate and achievable for each settlement.

AC is quite distinct from pre-feasibility, feasibility and project-level planning work, which would often follow. AC makes use of readily available information sources and does not usually entail undertaking specialist studies.

A pre-feasibility assessment is a preliminary study that is undertaken on the basis of existing information to determine how to upgrade a settlement. The assessment also identifies what additional information is required.

A feasibility assessment is a longer study that entails research and investigation into the additional information identified in the pre-feasibility assessment. The feasibility assessment will result in detailed recommendations on

AC is intended to be rapid. It is accepted, however, that the process may take several months to complete and the initial categorisation of settlements may well change over time as additional information (e.g. from feasibility work) becomes available or as settlement conditions on the ground change.

AC is based primarily on desktop information (including existing technical studies), site visits, and initial stakeholder engagements. As more detailed information, such as geotechnical or land legal constraints, becomes available, the categorisation might need to change and MTEFs and the project pipeline schedule adjusted accordingly.

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

AC occurs very early in the process of establishing a viable and responsive informal settlement upgrading strategy and programme within a particular municipal or provincial area. It helps to design and structure an informal settlement project pipeline. This enables the necessary budgets to be allocated on a medium-term expenditure framework (MTEF) basis. The relevant municipal departments can 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. It also enables the different departments to start the process of aligning broad strategies and inter-departmental programmes and co-operation.

3.2 What is the purpose of assessment and categorisation?

Main objectives:

- To obtain a **rapid overview** of the location, scale and nature of informal settlements in a municipality. This should include providing an understanding of priority needs, site constraints and the development potential of the different settlements.
- To determine the **suitability of informally settled land** for formalisation or for permanent settlement.
- To determine an **initial categorisation of, or developmental pathway** for, each informal settlements in a municipality. This will indicate the appropriate type of developmental response for each one. It must be noted that as a result of more detailed 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 multi-year budgets** for professional services and capital expenditure on medium-term expenditure frameworks (MTEF). These are associated with further pre-feasibility and feasibility studies, design and implementation or construction, e.g. emergency or basic services, land acquisition, full services and housing.
- To provide input or **update the municipality's housing sector plan** in respect of informal settlements.
- To ensure priority, minimum settlement improvement actions for all settlements relating to:
 - Reducing health and safety threats (fire protection, solid waste removal);
 - Basic infrastructure (water, sanitation, road access, electricity);
 - Broader socio-economic improvements (primary health care, early childhood development, public transport, basic education, informal economy);
 - Tenure improvements (at least in the form of administrative recognition of settlements).
- To identify priority technical studies and other work required to move projects forward (pertaining to site development potential, land acquisition, municipal procurement).

In undertaking AC the purpose is to be able to deliver meaningful responses to all informal settlements rapidly and to avoid leaving certain settlements on a developmental back-burner.

3.3 Is the land suitable for permanent settlement?

The key determinant of informal settlement categorisation is whether or not a particular piece of land is suitable for permanent human settlement. This determines whether or not in the long-term a settlement will be upgraded (on either a formal or less formal basis) in situ or relocated.

Key points

The following are regarded as the most critical key factors for determining if land is suitable for settlement upgrading. Remember that, in terms of the new approach to upgrading, relocations should only occur as a last resort. The intention is to allow communities to remain wherever possible. There are instances where some flexibility may be necessary (e.g. accepting steeper slopes with reduced road access and a partially pedestrianised layout).

Site suitability factors should not be used as an excuse for relocations. Wherever possible, mitigations to limiting factors (such as those listed below) should be sought and solutions found.

- **Geotechnical conditions:** Slope instability, rocky outcrops, sinkholes.
- **Environmental conditions:** Sensitive wetlands, sensitive and endangered animal or plant species, residents exposed to toxic waste.
- **Topography:** Very steep slopes or floodplains.
- **Bulk services availability:** Are bulk water and sanitation services available to the settlement and if not how soon could they be provided?
- **Locational suitability:** Proximity to employment and key social facilities such as education and health care.
- **Land legal issues:** Power-line or rail servitudes, mineral rights, land claims pending.
- **Land availability:** Whether or not the land on which the settlement is located can be acquired at some stage – noting that the state has the power to expropriate land for fair compensation if it is in the public interest. It should also be noted that land acquisition is not initially necessary for the provision of interim arrangements and basic services and may only be necessary at some point in the future (e.g. prior to formal town planning processes commencing). Land non-availability should generally only be considered a reason for a relocation categorisation if the land is required for other important or strategic purposes such as an airport runway extension, main road expansion or the construction of an Eskom power station.

Site suitability for permanent settlement is the main determining factor. Irrespective of settlement category, minimum interim arrangements (including mitigation of health and safety threats, basic services provision and community participation) should always be provided.

3.4 Assessment and categorisation framework

The AC categorisation framework currently being used is the NUSP Rapid Assessment and Categorisation (RAC) framework. Settlements are firstly separated into two categories:

12. Those that are suitable for permanent human settlements, either via conventional formalisation or via an incremental, less formal type of permanent settlement solution. They are viable for upgrading.
13. Those that are not suitable and which will need to be relocated (either immediately or in the future). They are not viable for upgrading

Within these two broad categories there are different sub-categories as set out below.

Settlements viable for upgrading

- **Conventional formal full upgrading:**
 - *Informal settlement characteristics:* The site is suitable for development and appropriate for permanent settlement, is implementation-ready and formalisation will not result in significant adverse consequences.
 - *Developmental pathway:* Informal settlement can be formalised rapidly i.e. land acquisition, township establishment, subdivisions, full services, formal top-structures and formal tenure such as title deeds can be provided.
 - *Categorisation:* This type of informal settlement relates to **Category A** of the NUSP categorisation.
- **Interim arrangements including basic services:**
 - *Informal settlement characteristics:* The site can be developed for full formalisation as a permanent settlement, but municipal priorities and constraints have caused the upgrading intervention to be delayed pending fulfilment of necessary funding, technical or social pre-conditions.
 - *Developmental pathway:* Provision of interim arrangements:
 - Administrative recognition of the settlement and inclusion into municipal planning processes;
 - Meaningful engagement with the community through participative methods;
 - Basic infrastructural services (water supply, sanitation, road access);
 - Measures to address imminent health and safety threats (e.g. fire protection, solid waste removal);
 - Improved access to key social facilities such as education and health care.

The type of services provided should be able to be converted or expanded as the settlement moves towards formalisation in terms of conventional full upgrading.
- *Categorisation:* This type of informal settlement relates to **Category B1** of the NUSP categorisation.
- **Incremental full upgrading:**
 - *Informal settlement characteristics:* The site can be developed for full upgrading into a permanent settlement solution. However there may be insufficient

funding for full conventional formalisation or issues with the land which will result in full title being delayed significantly. It may also be that formal upgrading may be considered by the community as too disruptive and requiring too large a portion of the community to be relocated. Incremental upgrading is enabled.

- *Developmental pathway:* Incremental development led by the provision of basic services and leading either to eventual formalisation or other permanent settlement solution. Will include a wide range of incremental upgrading responses including participative planning, enumeration, re-blocking, incremental tenure, special zones, settlement layouts, owner-driven consolidation.
- *Categorisation:* This type of informal settlement is not included in the NUSP categorisation, but would follow on from **Category B1** and is identified as **Category B1 extended**.

Settlements not viable for upgrading

- **Deferred relocation with interim arrangements (including basic services):**
 - *Informal settlement characteristics:* Site is not suitable for development and there is no urgent need for relocation. A more suitable site is not currently available.
 - *Developmental pathway:* Provision of interim services, but with a reduced level of investment given that the settlement is not permanent:
 - Administrative recognition and inclusion into municipal planning processes;
 - Meaningful engagement;
 - Limited basic infrastructural services (water supply, sanitation; emergency vehicular access);
 - Measures to reduce imminent health and safety threats (e.g. fire protection, solid waste removal);
 - Improved access to key social facilities such as education and health care.
- *Categorisation:* This type of informal settlement corresponds to **Category B2** of the NUSP categorisation.
- **Immediate relocation:**
 - *Settlement characteristics:* The site is not suitable for development. 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. An appropriate relocation destination is currently or imminently available.
 - *Developmental pathway:* Rapid relocation to a site which is already available or imminently available.
- *Categorisation:* This type of informal settlement corresponds to **Category C** of the NUSP categorisation.

Summarised NUSP Categorisation Guideline

Category	Name	Developmental pathway	Rationale
A	Conventional formal full upgrading	Rapid formalisation (i.e. land acquisition, township establishment, subdivisions, full services, formal top-structures and formal tenure, such as title deeds).	<ol style="list-style-type: none"> 1. Site is viable (development is possible) and appropriate for purposes of formalisation and permanent settlement AND 2. settlement is implementation-ready and conventional upgrading can commence rapidly (typically land secured, feasibilities complete, plans approved) AND 3. formalisation is appropriate and will not result in significant adverse consequences (e.g. extensive relocations or livelihoods impacts).
B1	Interim arrangements with basic services	Development led by the provision of basic services and leading to eventual formalisation.	<ol style="list-style-type: none"> 1. Site is viable (development is possible) for formalisation or other permanent settlement solution BUT 2. settlement is not implementation-ready and imminent for formalisation (e.g. there will be significant delay due to such factors as land acquisition or bulk services provision) OR 3. rapid formalisation on the site is not currently appropriate (e.g. extensive relocations or livelihoods impacts).
B2	Emergency basic services (deferred relocation with interim arrangements)	Provision of emergency basic services, but not leading to eventual formalisation or permanent settlement — instead leading to a significantly improved, less formal development area on an interim basis with eventual relocation (when and if a suitable relocation site is obtained and developed and provided livelihoods and other relocations impacts are acceptable).	<ol style="list-style-type: none"> 1. Site is not viable (suitable for development) and appropriate for purposes of eventual formalisation or permanent settlement, but there is no urgent need for relocation (i.e. there is an absence of serious health and safety threats, which cannot be adequately mitigated in the short-term through basic services provision and other emergency interventions) AND 2. there is no more suitable site currently available for resettlement.
C	Relocations (immediate)	Rapid relocation to a site, which is already available or imminently available.	<ol style="list-style-type: none"> 1. Site is not viable (suitable for development) and appropriate for purposes of eventual formalisation and permanent settlement 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 relocation destination is currently or imminently available.

Key points

From the AC process, we know that all settlements are different and a one-size-fits-all approach cannot be adopted. Each settlement will require a response suited to its specific circumstances and characteristics.

3.5 The assessment and categorisation process

A typical AC process is set out below. The process outlined is significantly simplified and summarised. Please refer to the NUSP-PPT RAC Guide listed under references for more information.

1. **Collect and assess available base information** (including GIS and previous reports done).
2. **Conduct site assessment visits** to settlements to identify key features and characteristics including upgrading constraints.
3. **Engage with communities, municipal officials, councillors** to understand each settlement's history, priority needs, key local assets and initiatives.
4. **Develop a final and inclusive informal settlement list.**
5. **Develop preliminary technical assessments and base plans for each settlement.** These will be based on the social and technical work and determining categorisation (see table above), site constraints, development potential, including assessment base plans (GIS derived).
6. **Develop a final prioritisation list to cover all identified informal settlements** showing categorisation and priority. (This is discussed in more detail in section 4.2 below.)
7. **Draw up cash-flow projections (multi-year)** for each settlement based on its categorisation and the 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, spread over either the next three or five years.

GIS stands for Geographic Information System. It is a computerised data management system used to capture, store, manage, retrieve, analyse and display spatial information. Data captures is shown on a map.

Various mechanisms for funding are discussed in Section 11.

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 back burner.

3.6 The outputs of an assessment and categorisation process

The typical outputs from the AC process are listed below.

- **List of all informal settlements showing broad categorisation of each one.** For each settlement, the rationale/reason 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.
- **Base-plan showing the location 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 attached base plans. It should provide:
 - A profile of the settlement;
 - An assessment of the development potential of the site – it's potential for permanent human settlement (either formalisation or other less formal permanent solution) and the main constraints including a technical assessment;
 - The categorisation;
 - Identification of imminent health and safety threats;
 - Priority short-term settlement improvement actions. These should cover the following and indicate what intended funding sources/grants can be used:
 - Basic infrastructure provision (e.g. water, sanitation, road access, electricity);
 - Other measures to decrease health and safety threats (e.g. fire protection, solid waste removal, addressing or offsetting environmental threats);
 - Tenure (e.g. initial administrative recognition);
 - Priority socio-economic improvements (e.g. primary health care, early childhood development, public transport, basic education, informal economy).
 - Priority work necessary to move the settlement forward. This may include geotechnical assessments, land acquisition, participative community action plan;
 - Plans (maps) showing land which is not suitable for develop, key constraints, existing services and infrastructure, slope analysis and land ownership.
- **Multi-year expenditure projections.** This is a spread sheet showing the rough budgetary requirements for settlements in different categories, the expected grant mechanism (e.g. UISP, USDG, MIG), the total cost for each settlement and

how the funds required are spread out over the next three to five years. Municipalities can then make use of this spread sheet for the planning and delivery of their informal settlement development programme as part of their 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 the available information indicates this, for example through prior studies undertaken.

4. Developing an Informal Settlement Upgrading Strategy and Programme

4.1 What informs an upgrading strategy?

- **Assessment and categorisation.** The development of an upgrading strategy is heavily informed by the AC process outlined above. An effective upgrading strategy cannot be developed without sufficient information about the informal settlements within the target area (either municipal or provincial level) and a clear understanding of their developmental priorities and overall upgrading response type.
- **The imperative of providing at least a minimum level of developmental assistance.** Interim arrangements including basic services should be provided to all settlements as quickly as possible. This is an essential part of the new programmatic approach.
- **The municipality's Integrated Development Plan (IDP), Housing Sector Plan and other spatial development frameworks and land use management plans.** However it is noted that these are often high level and broad in nature and do not focus significantly on informal settlements. They may, however, suggest key movement corridors or activity nodes, which need to be taken into consideration.
- **Any relevant provincial plans or strategies.** The strategy will need to take these into consideration (provincial upgrading strategies, provincial growth and development strategies, which identify key nodes and corridors).
- **Budget availability.** The availability of budget for upgrading is a key factor (e.g. housing budget allocations from provincial departments of human settlements, MIG funding available from provincial COGTA, USDG budget available from Treasury). Municipalities will inevitably need to structure their upgrading programmes within the available budget.
- **Implementation timeframes.** A realistic understanding of the actual timeframes required to implement projects is a key factor. There is typically a

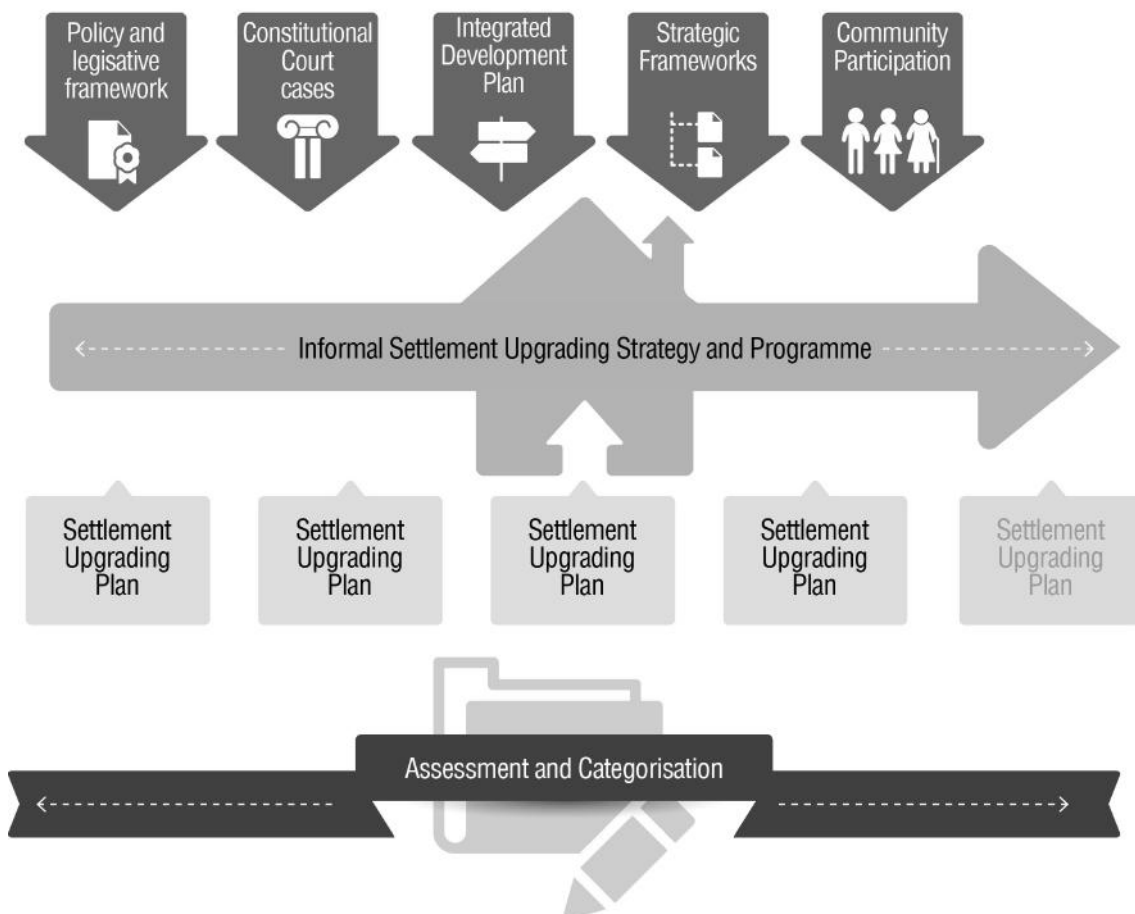
Funding mechanisms are discussed in Section 11.

significant under-estimation of how long projects take to plan, deliver and closeout. For example low income conventional upgrading projects typically take between five and 10 years from initial planning to finalisation of construction and closeout.

- **The nature of housing demand in the municipality.** Although the strategy will not only be about housing provision, it relates in all instances to housing opportunities (including informal housing opportunities within existing informal settlements). It is therefore critical to have some level of understanding of the nature of housing demand within the municipality.

There has been a historical tendency to assume that the existence of a low income household necessarily translates into a demand or need for a BNG house, but this is not always the case. Understanding why informal residents have moved to the town/city, why they reside where they do and what tenure and sub-tenancy relations exist, assists in better understanding the actual nature of housing demand. In some cases residents might be temporary migrants requiring short-term affordable rental accommodation. The demand might also be locality-dependant (i.e. certain residents might need to reside in a particular locality in order to retain jobs or sustain other livelihoods strategies).

INPUTS INTO THE UPGRADING STRATEGY AND PROGRAMME



4.2 Prioritising upgrading projects and responses

There are usually insufficient resources (human, financial, land) to upgrade all settlements simultaneously and to the same degree. A critical part of developing an upgrading strategy is **prioritising which developmental responses should achieve the greatest priority**, taking into consideration the information collected as part of the AC process outlined above.

Prioritisation is a process of evaluating different options or alternatives in the light of specified criteria. It is beneficial that this process is formal (documented) and as rational as possible. This also makes it easier to explain prioritisation decisions at a later time.

Every municipality will need to determine their own prioritisation criteria, however, the following are suggested as some of **the key criteria in the context of informal settlement upgrading**:

- **The extent and severity of health and safety threats** such as lack of sanitation and potable water, fire, flooding. Any settlements affected in this way should get top priority and a response that is not delayed – unless relocation is imminent.
- **Available budget** as informed by grant instruments and other sources of finance which can (or cannot) be accessed.
- **The size of the affected population of an informal settlement.** It is usual to afford a higher priority to larger settlements as there is greater social benefit to assist people. In addition consideration should be given to assisting more people at a lower level of support i.e. provide Category B1 support, as opposed to providing fewer people at a higher level of support i.e. Category A.
- **The location of the land in question.** For example informal settlements located on prime, well-located land with excellent access to job opportunities and social facilities might receive a higher priority in terms of full upgrading because the high investment helps to build a spatially more efficient city/town.
- **The state of readiness of a project.** Those projects which are more ready usually receive higher priority, especially in terms of full upgrading e.g. projects with land already secured are a better choice for conventional, formal upgrading.
- It is important to avoid selecting projects for full upgrading which become stalled because of land and other problems.

It is again emphasised that an **overriding criterion is the need to bring benefits to all settlements as quickly as possible and to achieve a balance between breadth and depth responses** (e.g. between formal BNG housing provision and interim or emergency basic services provision).

For reference only:

Key contents of an informal settlement upgrading strategy and programme

The following are suggested as being key elements that should be included in an informal settlement upgrading strategy and programme:

- **Municipal context.** This includes demographics, settlement pattern, local economy, land ownership patterns, engineering services, housing sector plan status and key implications.
- **Key crosscutting issues or trends.** This should emerge from the preceding AC process, for example informal settlements on traditional land, informal rental accommodation, lack of potable water access, settlements in floodplains.
- **Summary (tabular) informal settlement upgrading plan.** This should be in the form of a table showing all settlements, their categorisation and their developmental priorities. This would be directly informed by a preceding AC and would typically include the following fields (columns):
 - Name of settlement;
 - Category;
 - Categorisation rationale/reasoning;
 - Existing informal housing units/households;
 - Infrastructure, tenure and housing priorities;
 - Status quo comments;
 - Other key developmental priorities (e.g. education, health care);
 - A specimen summary response plan can be seen below.
- **Detailed informal settlement upgrading plan by settlement.** For each settlement a summary should be provided of the preliminary assessment for that settlement arising from the preceding AC process and including information such as:
 - Settlement profile (e.g. name, households, extent, age);
 - Settlement categorisation and the rationale for it;
 - Development assessment (how much of the site can potentially be developed);
 - Key priorities and needs;
 - Priority responses regarding infrastructure, tenure and housing;
 - Other developmental priorities (e.g. education, health care).
- **Upgrading timetable/programme.** Usually in Gantt chart format over a multi-year period and noting the main assumptions made.
- **Key programmatic interventions** required. For example upgrading water treatment works, building additional schools, improving and sustaining community participation, increasing access to clinics, improving public transport infrastructure.
- **Priority follow-up studies, investigations or technical work** required to move the upgrading strategy forward (e.g. to unblock bulk services or land issues).
- **Medium-Term Expenditure Framework (MTEF).** This is a draft multi-year budget for key upgrading responses that also indicates the intended grant funding mechanisms to be utilised (or other funding sources where applicable, such as municipal funds).

Example of a summary municipal-level response plan

A specimen summary of a municipal-level informal settlement upgrading strategy is provided on the following page, and shows how individual project assessments can be rolled up into a summary municipal-level strategy and programme.

SUMMARISED INFORMAL SETTLEMENT UPGRADING STRATEGY – MUNICIPAL LEVEL

SUMMARISED INFORMAL SETTLEMENT UPGRADING STRATEGY – MUNICIPAL LEVEL											
Project details								Developmental priorities			
Sett No	Name of Informal Settlement	Categorisation	Urgent health & safety threats ?	Rationale / notes	Current shacks	In situ upgr. Yield	Short term relocations	Eventual likely relocations	Basic Services, tenure, housing	Other priorities	Targeted grant instruments
1	Settlement A	Conventional formal full upgrading (Category A) Immediate relocation (Category C)	N	Site well located close to centre of town. Well established settlement. Most of the site is suitable for formal development but some de-densification will be required and this is accepted by the community.	723	642	81	81	Land acquisition imminent. Subsidy application approved. Town planning completed. A temporary relocations area will be established whilst phase 2 of the current green-fields housing project is planned & completed. The TRA site is adjacent to the settlement so livelihoods implications will be minimised.	Community participation and socio-survey. Support for local informal ECD centres. Engagement with Department of Education to increase capacity of current SP and high school which cannot cope with current student numbers.	UISP/CS/ H (DHS)
2	Settlement B	Interim arrangement (incl basic services) (Category B)	Y	Site acceptably located 3km from the town centre. Settlement well established. Most of site developable. Some households need to move out of floodplain but can be accommodated elsewhere on site.	1 253	1 253	0	0	Land acquisition does not appear problematic. Project can move from B1 to full upgrade relatively easily. Assist residents to move out of floodplain into other parts of the site.	Community participation and socio-survey. Support for those involved in food gardens. Assess need for a taxi rank.	UISP (DHS)
3	Settlement D	Interim arrangements (incl basic services) (Category B1)	N	Site well located close to centre of town. It is a high density settlement with high levels of poverty and vulnerability. Most of the site is suitable for permanent settlement but when full upgrading occurs, some relocations may be necessary at that time.	1 213	1 040	0	173	The relocations will eventually be relocated to phase 2 of the abovementioned green-fields housing project when has been planned and built.	Community participation and socio-survey. Support for those involved in food gardens. Assess need for a taxi rank.	UISP (DHS)
4	Settlement E	Interim arrangements (basic services) (Cat B1)	N	Site characterised by significant rocky outcrops and a portion is located within a floodplain. The settlement is however well-established and geotechnically the area appears stable.	395	395	0	0	Standpipes, VIPs, basic road and footpath access, electricity supply. Although the site is not formally developable, it is very well established and unlikely to be relocated for some time.	As for settlement B (located on the other side of a district road). Improve solid waste removal.	MIG
5	Settlement G	Interim arrangements (incl basic services) (Category B1) - eventual	Y	Site well located close to centre of town. It is a high density settlement. The entire settlement is located under a powerline and is not formally developable. The site is however otherwise stable. Levels of poverty and vulnerability are high.	221	0	0	221	Standpipes, chemical toilets, temporary electricity supply. Provision of emergency housing improvements (structured materials provision) for those households who are most destitute. Place settlement on long term relocations plan.	Solid waste removal. Engage with Department of Education w.r.t expansion of school.	EH/MIG
6	Settlement H	Immediate relocation (Category C)	Y	The settlement is located mainly on an old landfill site and residents are exposed to toxicity and other health and safety threats. There are available sites on a Greenfields housing project adjacent to the town with construction being close to completion.	311	0	311	311	Full relocation of entire settlement to a Greenfields housing project where full services, title deeds and formal housing is in the process of being provided. In the short term undertake community education in respect of health and safety threats on site.	Ensure adequate public transport from new Greenfields site to town including access to schools and clinics.	UISP

Toolkit

You will find the following resources on the Toolkit CD:

- Rapid Assessment and Categorisation (RAC) Guideline (HDA 2014)
- Grant Instruments for Informal Settlement Upgrading (PPT, 2014)
- Summary Informal Settlement Upgrading Plan
- Detailed Informal Settlement Categorisation Framework

References and Resources

Reference Material

- Decision Flow Chart for Upgrading
- Project Preparation Cycle (Planning Cycle) — PPT 2010
- Part 3 of the Housing Code 2009 — Incremental Interventions:
 - “Upgrading Informal Settlement”
 - “Emergency Housing”
 - “Enhanced People’s Housing Process”
 - “Integrated Residential Development”
- Emergency Housing Guidelines (Housing Development Agency)
- USDG National Treasury Presentation September 2012
- MIG Policy Framework