



eThekweni Informal Settlement Incremental Upgrading City-Wide Strategy and Programme Description

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Annexures

- A. Standard Operating Procedures: Incremental Planning Arrangements for Informal Settlements in eThekweni Municipality
- B. Council Resolution and Report dated September 2019.
- C. eThekweni Resilience Strategy RBO1 - Informal Settlement Upgrading
- D. Informal Settlement Incremental Upgrading Forum Terms of Reference (November 2019)

Abbreviations

CSP = Cities Support Programme
ECD = Early Childhood Development
DHS = Department of Human Settlements
DBE = Department of Basic Education
DSD = Department of social Development
EHS = eThekweni Human Settlements
HSDG = Human Settlements Development Grant
IDA1 = Incremental Development Area (level 1)
IDA2 = Incremental Development Area (level 2)
NDHS = National Department of Human Settlements
NUSP = National Upgrading Support Programme
SDF = Spatial Development Framework
SPLUMA = Spatial Land Use Management Act
TDA = Temporary Development Area
UISP = Upgrading of Informal Settlements Programme
USDG = Urban Settlements Development Grant

INTRODUCTORY NOTE

This Strategy and Programme Description was adopted by Council on the 30th June 2022 (refer to Council Resolution with required follow-up actions at Annexure B2). It is a response to a Council Resolution mandating its development in September 2019 (Annex B). It is in line with principles of the national upgrading policy as per the Upgrading of Informal Settlements Programme (UISP) of the National Department of Human Settlements and makes use of the national categorization framework for informal settlements.

It also taps and aligns with the resources and toolkits of the National Upgrading Support Programme (NUSP) and City Support Programme (CSP), including the National Programme Management Toolkit for Upgrading of 2017. In many instances it documents and confirms existing, established incremental upgrading practices and approaches already being utilized by the Municipality. It also establishes various forms of optimization to existing approaches and in some areas establishes new approaches or solutions, some of which will require further piloting and refinement (e.g. relating to optimized sanitation solutions, incremental planning solutions and alternative forms of individual tenure security).

In the case of the draft Incremental Planning Operating Procedures (Annex. A), a detailed process involving the key Line Departments has occurred including the Development Planning Department and Legal Units. Various inter-departments working groups are also already established dealing with optimized solutions relating to sanitation, solid waste, incremental planning and pipeline planning. An over-arching Municipal Upgrading Policy will also need to be developed which will include this Strategy and its Annexures. This Policy will need to focus principally on providing greater clarity on the specific roles and responsibilities of different Municipal Line Departments in order to ensure improved coordination in relating to planning, budgeting, procurement, delivery and data sharing.

This Strategy was developed with extensive engagement and consultation across all key Municipal line-Departments and with technical assistance provided by the CEO of Project Preparation Trust (PPT) both via the iQhaza Lethu Incremental Upgrading Partnership Programme which was co-funded by the European Union, eThekwini and PPT and also via the City Support Programme of National Treasury funded by the World Bank.

EXECUTIVE SUMMARY

1) POLICY MANDATE

Conventional approaches to informal settlement upgrading premised on formalization have not been successful in addressing informal settlement backlogs due amongst other things to there being insufficient funding relative to the scale of existing settlements, a lack of alternative well-located land, ongoing urbanization and influx and various complexities related to the silo nature of service delivery in local government. The informal settlement backlog has grown despite substantial formal housing delivery. In addition, conventional housing programmes have done little to promote urban integration and spatial justice, and have instead contributed to urban sprawl and high transport costs for the poor.

As per a Council Resolution of September 2019, the City has therefore resolved to embark on an optimized incremental upgrading programme. This reflects an acknowledgement that the informal settlement challenge is complex and requires multi-stakeholder approaches that are participative, partnership-orientated and rooted in incrementalism. It is also in line with the National Upgrading of Informal Settlements (UISP) policy which prioritized in-situ upgrading, with relocations as a last resort, and with the provision of basic services and functional tenure security as the first priority.

Council resolved that an updated programme description for the Incremental Services Programme (as contained in this Strategy) be developed and that incremental planning, land rights and tenure solutions be addressed. The national categorization framework for informal settlements formed part of the report to Council along with various other key principles such as the role of the incremental upgrading forum (now known as the Informal Settlement Incremental Upgrading Forum or ISIUF), the importance of also providing social services such as ECD alongside municipal infrastructural services, and the need to establish a more effective pipeline of upgrading projects with associated criteria. It is also noted that a City-wide Upgrading Strategy is a requirement of the National Department of Human Settlements for upgrading projects.

This Strategy is informed by an understanding and analysis of the status quo in the City relating to informal settlements and upgrading. This status quo is set out in section 3 where, amongst other things, the following are addressed: the scale of settlements and their categorization; upgrading approaches adopted to date including the substantial interim services programme between 2010 and 2020; principles relating to an optimized approach and how they are informed by policy and good practice; spatial and land ownership patterns; existing partnerships and collaborations; status of data and pipeline planning; the Informal Settlement Incremental Upgrading Forum (ISIUF); and the alignment with the City's adopted Resilience Strategy.

The Strategy is also aligned with principles and transformations contained in the eThekweni One Plan which is based on the District Development Model (DDM) Theory of Change. The eThekweni One Plan postulates six interrelated and interdependent transformations to move from the current situation to a desired better future. Central to achieving this desired future is the co-created vision developed by the three spheres of government, namely that by 2050 eThekweni will be “A Leading Smart Port City Region that is Just, Safe, Sustainable, Socially Cohesive and Culturally Expressive”. Within the One Plan, addressing informal settlements and human settlements finds expression in three out of six of the identified transformation areas, namely: Spatial restructuring and environmental sustainability; infrastructure engineering to support amongst other things spatial transformation and meeting of human settlements needs; integrated services provisioning including ensuring services are delivered in partnership with communities.

2) STRATEGIC CONSIDERATIONS AND CONSTRAINTS

The scale of informal settlements in the Municipality is a key factor informing this Strategy as contained in the summary below. This has significant strategic implications including the impossibility of addressing the ‘backlogs’ by means of formal housing provision or comprehensive upgrading and the necessity for an optimized incremental approach as outlined in this Strategy.

NUSP Categorisation	No. settlements	Est. households	% settlements	% households
A (full conventional upgrading i.e. housing project)	56	22 131	9,5%	7,1%
B1 (Incremental upgrade with essential services)	352	246 348	60,0%	78,8%
B2 (Deferred relocation with emergency services)	136	33 009	23,1%	10,6%
C (Imminent relocation)	34	10 954	5,9%	3,5%
Under investigation	9	299	1,5%	0,1%
	587	312 741	100,0%	100,0%

This Strategy is informed by an analysis of the prevailing problems, challenges and barriers which is contained in section 4. This detailed analysis reflects extensive feedback obtained via the ISIUF, the City’s Resilience Strategy, and various municipal line departments and other fora over the past three years. The Strategy has been developed so as to respond optimally to these challenges. This problem analysis should be updated over time as the Strategy is implemented in order to monitor how change is being achieved and to make adjustments to the approach where necessary.

The following are some of the most critical strategic constraints and considerations which inform the strategic direction taken:

- a. **SCALE OF SETTLEMENTS:** There are large numbers of settlements as outlined above and substantial backlogs of services.
- b. **FISCAL CONSTRAINTS:** There is insufficient budget available to enable the full or comprehensive upgrading of all settlements in the short to medium term.
- c. **LAND CONSTRAINTS:** There is insufficient land available to relocate or de-densify all informal settlements in the short to medium term. In addition, 41% of the land in the municipality is privately owned (18% is owned by the Municipality, 18% by provincial government and 18% by the Ingonyama Trust).
- d. **SPATIAL CONSIDERATIONS:** Although many settlements are well-located, the sites on which they are located are often challenging due to topography and other factors.
- e. **TOPOGRAPHIC AND OTHER SITE CONSTRAINTS.** Sites are typically steep and often there are other constraints such as challenging geotechnical conditions.
- f. **RIGID NORMS AND STANDARDS:** Rigid first-world norms and standards inhibit innovation in informal settlements upgrading. Greater innovation and flexibility is required in terms of the norms and standards related to planning, servicing and buildings
- g. **BULK SERVICES CONSTRAINTS:** There are severe constraints relating to bulk services and in particular in respect of water and sanitation services (e.g. bulk sewer treatment works) and solid waste management (conveyance to and capacity at landfills).
- h. **OPERATING AND MAINTENANCE CHALLENGES:** The costs associated with the ongoing operating and maintenance of incremental services are high and solutions to this need to be found.
- i. **CAPACITY AND COORDINATION CHALLENGES:** There is insufficient capacity to respond optimally to the scale of the challenge and also difficulties achieving effective transversal coordination across municipal line departments and with the other spheres of government.
- j. **GRANT INSTRUMENTS:** The main grant for incremental upgrading, the new ISUPG, is non-programmatic in its orientation and overly prescriptive in several respects (e.g. regarding individual service connections and up front land acquisition). Greater flexibility, similar to the previous USDG, would be highly beneficial.
- k. **PROCUREMENT:** Slow and cumbersome procurement processes delivery. There are currently no programmatic and integrated procurement arrangements for city-wide incremental upgrading.

The Strategy therefore adopts a programmatic and structured city-wide approach so as to reach all of the informal settlements in the municipal as quickly as possible and to produce change which is at-scale. The approach adopted is proactive and strategic instead of reactive in its orientation. The optimized upgrading approach is in line with the Council Resolution, national policy and other national requirements.

The Strategy requires innovation in many different areas in order to be successful in achieving its strategic objectives. A ‘business-as-usual’ approach will not work. Innovation and flexibility will be required in many aspects including in respect of: different approaches to providing municipal services; incremental planning and tenure arrangements; more effective coordination between municipal line departments; innovative housing typologies which people can build for themselves on steep sites; operating and maintenance solutions; enabling partnerships and collaborations.

3) STRATEGIC APPROACH

The optimized incremental upgrading approach is outlined in section 5 of the Strategy. The following are some of the main elements of the optimized strategy. It is accepted that, given the scale of settlements and services backlogs, that it is impossible to comprehensively upgrade all informal settlements in the short to medium term and that an incremental approach focused mainly on essential services provision and secure tenure, will be the main response. The objective is to reach as many households as possible instead of having a waiting-list orientated approach where many settlements may wait a long time before being assisted.

CATEGORISATION: The upgrading approach will be largely determined by the categorization of the settlement as outlined below (this is as per the national NUSP categorization framework). The number of households within each of these categories is contained in the preceding table. Refer to section 5.2 for the full categorization framework).

- A = full conventional upgrade with formal housing and title deeds,
- B1 = incremental upgrading - essential services + functional tenure security
- B2 = deferred relocation with emergency services
- C = imminent relocation.

DIFFERENTED UPGRADING PIPELINE RESPONSE: The incremental upgrading approach needs to be appropriate to the type (category) of settlement as well as its location and the presence of any particular hazards or threats to human life. Settlements should therefore be differentiated into the following main pipeline categories. It is noted that some settlements will have a split

categorization (e.g. part of the settlement suitable for ins-situ upgrading (B1) and part requiring eventual relocation (C)).

- i. Best-located category B1 settlements (in-situ upgrades within prime investment corridor (PIC) and urban zones) – 31% of all households. The strategic objectives are to promote spatial change, improve services, and build assets over time. The focus is on reworking space, improving services, providing incremental planning and tenure arrangements, encouraging households to build their own improved housing.
- ii. General category B1 settlements (in situ upgrades outside PIC and urban zones) – 48% of all households. The strategic objective is initially to improve services whilst at same time laying a platform for longer term spatial change and asset building. The initial focus is mainly on improving services and working towards incremental planning and tenure arrangements.
- iii. B2 settlement (deferred relocations) – 11% of all households. The strategic objective is to relocate the settlement (or portion thereof) with a short term focus on addressing imminent health and safety threats and providing emergency basic services as an interim measure.
- iv. Category C settlements (imminent relocations) – 4% of all households (although further analysis of these areas is required). The strategic objective is to relocate the settlement (or portion thereof).
- v. Households at severe risk – an undetermined number of households (further assessment and analysis required). The strategic objective is to rapidly assess, identify and address and/or mitigate imminent threats to human life through whatever response measures may be appropriate (e.g. flood mitigation, fire protection, relocation).

	No. of settlements	No. of households	% of Settlements	% by households
Best-located B1 settlements	202	97 113	35%	31%
General B1 settlements	150	149 235	26%	48%
B2 settlements	136	33 009	23%	11%
Category C settlements	34	10 954	6%	4%
Total incremental upgrades	522	290 311		

Category A conventional housing	56	22 131	10%	7%
Total informal settlement pipeline	578	312 442	100%	100%

Work in progress (Not yet categorised)	9	299		
TOTAL	587	312 741		

STRATEGIC PRIORITIES AND PIPELINE CRITERIA: More effective budgeting and prioritized pipeline planning is a key success factor. A range of criteria have been approved by

Council (vulnerability; services deficit; population coverage; age of settlement; community readiness; location). Making use of these project-specific criteria, strategic criteria have been developed in order to ensure a more strategic and programmatic response. These strategic criteria are contained in section 5.4. The following key strategic principles therefore inform this Strategy:

- i. ***Achieving a minimum level of acceptable services*** to all informal settlements whilst at the same time minimising relocations and doing so in a manner which is as cost-effective and well-prioritised as possible with water, sanitation, electricity, and solid waste removal being some of the most pressing priorities.
- ii. ***Responding proactively to high risk situations*** where there is a high risk of loss of life due to fire, flooding or other severe and imminent threats by addressing or mitigating these threats.
- iii. ***Spatial restructuring*** of the City to make it more efficient, inclusive and sustainable e.g. making optimal use of limited, well-located available land and establishing a better urban form for the future and including optimised services and reworking of space in best-located B1 settlements;
- iv. ***Building assets and land value capture*** e.g. by servicing well-located settlements and establishing incremental tenure and planning arrangements which unlock owner-driven housing improvements.
- v. ***Initiating incremental planning and tenure arrangements*** which improve tenure security, include settlements into municipal planning frameworks and which can unlock people's ability to invest in their own housing improvements rather than relying on government;
- vi. ***Optimising the use of limited fiscal resources*** for both capital and ongoing operating, maintenance and recapitalisation of assets (through better prioritised investment);
- vii. ***Reducing environmental and other public harm*** and negative impacts to the general public including neighbouring (formal) communities.

OPTIMISED BUDGETING: Budgeting needs to be informed by the overall pipeline approach adopted as well as the above strategic criteria and consideration. Available budget should first be apportioned across different categories of settlement within the differentiated pipeline. The basis for making this apportionment should be principally on: a) the number/scale of under-serviced households; b) the associated relative per-household cost of responding appropriately within each pipeline. Once budget has been allocated to each pipeline category of settlement, settlements should then be prioritised within each category based on criteria which are appropriate to the specific category as outlined in the subsequent section. The approach and criteria for doing so within each pipeline category are outlined in the relevant section of the Strategy (section 5.4D).

MUNICIPAL SERVICES: The nature of municipal services provided should be appropriate to the pipeline category of the settlement and the particular local conditions, needs, constraints and vulnerabilities. In general, during phase 1 of the optimised incremental upgrading programme,

certain shared services will typically be necessary (e.g. taps and toilets). This is due to the aforementioned constraints (fiscal, land availability etc.). It is however accepted that optimization or adjustment of certain types of service may be necessary to reduce costs and/or improve asset life and durability (e.g. regarding communal ablutions). Wherever possible services should be designed so as to be part of a permanent service solution. Typical municipal services should include: communal ablutions and standpipe wash facilities (or other alternatives if these are deemed too costly); solid waste management; fire hydrants; electricity; roads, footpaths and related storm-water controls. The long term operating and maintenance of municipal services should be considered when designing and implementing services (i.e. an asset-lifecycle approach). Where necessary, alternatives to current approaches should be assessed and considered (especially regarding water and sanitation services). Particular attention should be paid to securing more responsible use of services and better maintenance by means of stronger social process and leveraging social capital (e.g. by means of more locally-based solutions such as community-based maintenance or local enterprise).

PRIVATE LAND: The Municipality will continue to provide basic/essential municipal infrastructural services for informal settlements on private land in B1 and B2 categories in advance of land acquisition subject to the prescribed processes (which include the settlement's categorisation having been reflected in the SDF, appropriate notices to landowners and the use of statutory servitudes). This is as per two Senior Counsel legal opinions and the attached Incremental Planning Operating Procedures (**Annexure A**).

LAND ACQUISITION: The Municipality should establish a proactive and well-prioritised land acquisition programme, both for B1 informal settlements as well as for additional land that might be required (e.g. for partial relocations and re-blocking on B1 settlements; the imminent relocation of category C settlements; the future relocation of category B2 settlements). The budget requirements and timeframes for acquisition should be determined. The scale and rate of delivery of the programme will be subject to resource constraints and budget prioritization amongst other factors. It is accepted that the costs associated with such a programme will be substantial and the programme will take many years to complete.

TENURE: Tenure security will initially be via administrative recognition (non-individual functional tenure) which confers freedom from arbitrary eviction and is related to the categorisation of the settlement. Consideration will be given to evaluating and potentially establishing alternative/incremental forms of individual tenure (e.g. a municipal occupation or tenure certificate) for category B1 settlements. This will be subject to municipal capacity and appropriate tenure management systems being established. A municipal certificate of occupation is envisaged as a possibility once IDA1 land use arrangements are in place and there is a GPS point for each site. This would be non-transferable and non-tradeable. A municipal tenure certificate is

envisaged as a possibility once the municipality has acquired the land and IDA2 land use arrangements are in place. This would be potentially transferable and trade-able. As far possible these alternative forms of individual tenure should be utilised to leverage people's willingness and ability to improve their own housing. In particular, a municipal tenure certificate should preferably be conditional on the recipient building an improved house using safer materials and building methods to replace an existing shack. A flexible 'envelope' for such improved housing would be appropriate given that conventional/formal building standards may be impossible for residents. At a minimum, safer building materials and building methods should be required (e.g. no plastic or cardboard) and there should be space between units. The use of alternative building methods and housing typologies should be considered and encouraged. In dense, steep settlements the use of the double-story lightweight 'LIFT' house typology or variations of it could be considered.

INCREMENTAL PLANNING ARRANGEMENTS:

- i. ***Spatial planning***: All settlements should be designated/assigned in the Municipality's Spatial Development Framework (SDF) along with any related land use categories or future incremental zoning.
- ii. ***Land use planning***: Incremental and temporary development land use categories should be established with prescribed planning arrangements, servicing and tenure approaches and land use 'rules' (as outlined in **Annexure A**). The following main land use categories should be established: Incremental Development Area level 1 (IDA1) as an initial category for all B1 settlements; IDA2 for B1 settlements once land has been acquired and detailed layouts have been established, which also establishes a platform for incremental forms of individual functional tenure; Temporary Development Area (TDA) for all B2 settlements.
- iii. ***Flexible development envelope***: Many informal settlement sites, whilst challenging in terms of such factors as slope and population density, are nonetheless appropriate for incremental upgrading (category B1). Many such settlements are well-located, old and well-established, and that there is a lack of alternative, suitably-located land for relocations. Subject to further technical studies, it is therefore accepted that a more flexible 'developability envelope' should be considered for such category B1 settlements along with an IDA1 or IDA2 land use designation (e.g. regarding partially pedestrianised layouts and development on steeper than normal slopes subject to appropriate engineering controls). It is also accepted that portions of some category B2 settlements (deferred relocations) are often located on land with significant but that appropriate mitigation of imminent health and safety threats at an appropriate level is nonetheless typically be required, especially where the deferral of the relocation may be a period of many years. A more flexible envelope for such settlements should therefore be considered (e.g. utilising de-facto floodline mapping instead of the 1:100 year floodline). It is noted that there are more than 33,000 households in this category (in addition to more than 10,000 households in category C).

HOUSING:

- i. ***State-funded housing***: It is accepted that the Municipality will be unable to provide all residents of informal settlements with state-funded housing in the short to medium term. As a general rule, the Municipality will therefore focus mainly on the enabling public realm investment (e.g. municipal services) and regulatory environment (e.g. incremental planning and tenure solutions). People will, at least in the short/medium term, need to improve their own housing and they should be actively encouraged to do so. Consideration should be given to linking individual tenure security (e.g. municipal tenure certificate) to a requirement that the recipient builds housing of an acceptable and/or improved quality.
- ii. ***Relocations housing***: In cases where relocations are required (e.g. to make way for services for partial relocations and re-blocking on B1 settlements or the imminent relocation of category C settlements), then historical TRA-type housing should be avoided wherever possible. Alternative housing typologies (see below) or site and service could potentially be considered, given the high costs associated with conventional housing and its unviability on steep sites.
- iii. ***Alternative housing typologies***: The use and promotion of alternative (improved and appropriate) low-cost housing typologies should be considered. It is accepted that conventional housing is unviable on many steep and geotechnically-challenging sites and that solutions such as lightweight, double-story structures which optimise limited space may also be appropriate (e.g. the LIFT or 'Indlu-lamithi' house developed and piloted via the iQhaza Lethu Programme). The Municipality may assist in exploring, testing and utilising such alternative housing typologies, both for use on relocation sites as well as for use by residents in communities as ways of residents building more optimally for themselves.
- iv. ***Housing support***: Ways of supporting residents to build their own improved housing should be explored. This may include: providing information (e.g. housing designs, including those for alternative typologies); some technical support to residents; improved building materials access. This could potentially be linked to the People's Housing Process (PHP) programme, housing support centres and collaborations with communities and civil society support organisations (subject to funding availability).

RELOCATIONS: Relocations should be regarded as a last resort, but in some instances may be necessary e.g. to release sufficient space to introduce improved services within a settlement or to remove households under imminent threat of severe hazards such as flooding. Where such relocations are necessary, the use of conventional temporary relocation areas (TRAs) and related temporary units should be avoided. Efforts should rather be made to identify sites which may be suitable for permanent settlement in the longer term. Relocations should be done through consultation and wherever possible on a voluntary basis. Forced removals should be avoided.

Wherever possible the relocation site should be as close as possible to the area from which people are being removed so as to minimise livelihoods disruptions. Given the scarcity of suitable land, consideration may be given to nearby sites which may only be developable within the more flexible incremental development envelope outlined in section 5.2. The use of alternative housing typologies and serviced land release where relocatees build their own housing may be considered. Refer to section 5.7 for more information.

SOCIAL SERVICES: Social services are to be provided in consultation with the relevant Provincial line departments and authorised/statutory NPO service providers. Key social services for informal settlements include clinics (usually mobile), ECD centres, and access to schools. It is noted that the majority of B1 settlements are already located in close proximity to many social amenities such as schools. ECD facilities should however receive special priority, noting the high prevalence of vulnerable children in informal settlements and the national strategic priority of ECD. The Municipality has therefore established a pilot programme to address this challenge (relating to the survey of ECD centres and provision of infrastructure improvements) and is currently developing an ECD Strategy which will chart a way forward in collaboration with the DSD/DBE and other stakeholders.

FUTURE INFLUX, LAND INVASIONS AND SETTLEMENT EXPANSION: Proactive measures need to be taken to more effectively manage the challenges of ongoing informal settlement expansion in its various forms including further and uncontrolled densification of existing settlements or new land invasions. It is accepted that such expansion may result from organic population growth within settlements, households moving locality within the municipality, or people migrating into the municipality from elsewhere. To more effectively manage this crucial challenge, a strategy should be developed by eThekweni Human Settlements (in consultation with other Departments) which takes into account: densification of settlements, vacant land protection, legal barriers (e.g. relating to evicting illegal occupants), serviced land release, optimal structuring of a land acquisition programme, and population modelling. This strategy should amongst other things project future growth and impacts and identify new strategies for mitigation or prevention. Engagements with national government on the issue of land invasions are ongoing (along with other municipalities and SALGA) including suggestions made regarding possible amendments to the PIE Act or other national solutions to enable municipalities to more effectively manage land invasions as a crosscutting national challenge. It is noted that land invasions often jeopardise upgrading projects (e.g. when land required for partial relocations or housing is invaded).

LIVELIHOODS, ECONOMY AND JOBS: eThekweni's informal settlement upgrading programme supports enhanced livelihoods, economic opportunity and job creation in various ways and is further assisted by a range of complementary support programmes. The provision of improved basic services has significant positive livelihood impacts in and of itself (e.g. by means

of safer, healthier and more functional living environments) and there also are significant asset building benefits that accrue from improved tenure security. Most informal settlements in the Municipality are well located with good access to social facilities, economic opportunity and public transport. There are also a range of special support programmes and strategies (e.g. relating to ECD; Informal Economy Support Programme; business support centres; Transit Orientated Development, Resilience and Social Development Strategies). In the light of these factors, and noting also the massive scale of informal settlements in the Municipality, the provision of a dedicated sustainable-livelihoods plan for each and every informal settlement in the Municipality (as suggested in the current grant framework for the ISIUP/UISP) is regarded as unviable. A more programmatic and ‘city-wide’ approach to supporting livelihoods, the economy and job creation is more appropriate. It is also important that the provision of basic essential services and functional tenure security not be delayed by the development of settlement-specific plans which would take significant time and resources, not only to develop, but also to implement. The broader challenges of insufficient jobs, slow economic growth and poverty are complex and not easily solved. It is unviable to attempt to plan and resolve these problems at the settlement level as part of the provision of basic services and functional tenure security, noting the need for an at-scale, city-wide approach, and the existence of more than 580 informal settlements in the City.

4) OPTIMISED UPGRADING APPROACH (PHASE 1)

During phase 1 of the optimized incremental upgrading programme, the objectives are to provide improved services to all settlements whilst at the same time starting to address spatial transformation, asset building and the initiation of incremental planning and tenure arrangements. In general, state-funded housing will not be provided and people will be expected to invest in their own housing improvements. The following differentiated pipeline approach will be utilised as the primary strategic framework.

1. Best-located category B1 settlements (in-situ upgrades within PIC and urban zones) – 31% of all households.

- i. **Strategic objectives:** These settlements should be afforded a high strategic priority given their locational importance. The objective is to rework space, optimise services and enable or incentivise residents to invest in and improve their own housing over time. The strategy is not only to address services deficits but to achieve spatial transformation, land value capture and asset building over time (principally via carefully-focussed and appropriate government and private sector (residents) investments). The costs of this approach will typically be higher than for general B1 settlements, and the process slower, but the locational value of the land more than justifies a more qualitative and integrated incremental upgrading approach, noting that

- this approach also establishes a better platform for residents to improve their own housing over time and for incremental planning and tenure solutions to be implemented in the future.
- ii. Services: A comprehensive package of essential services should be provided. It is accepted that, due the high densities in these settlements, a partially pedestrianised layout will typically be necessary and that, at least initially, certain services may only be possible along the main service alignments in the settlement (known as the ‘services frame’ approach). Typical services provided should include: footpaths and related storm-water controls and some roads where space permits; communal ablutions; standpipe wash facilities; fire hydrants; electricity; solid waste bins and containment areas. It is also accepted that some reworking of space (or partial ‘re-blocking’) will typically be required in order to open up the space necessary for service access ways. The planning, design, and delivery of services will typically need to be in an integrated and simultaneous fashion requiring effective coordination between line departments. Wherever possible services should be designed so that they are permanent, durable and part of a long-term permanent solution. The establishment of a services frame creates the potential for individual service connections in the future as a future phase of consolidation.
 - iii. Relocations: Relocations should be limited to those households who have to be moved to make way for the services frame. Some realignment of households within the settlement might also be possible. If additional land is required, then this should wherever possible, be adjacent or near to the settlement in order to minimise livelihoods disruptions. The use of alternative double story housing typologies should also be considered (see ‘housing’ below). Some relocations may also be required where there are households at severe risk (refer to dedicated pipeline category).
 - iv. Land use planning: Incremental planning arrangements should be established as soon as possible (initially IDA1 and transitioning to IDA2 once the municipality has acquired the land and sufficient planning and incremental servicing has occurred).
 - v. Tenure: Tenure security will initially be via administrative recognition. Consideration should be given to incremental individual tenure (e.g. municipal occupation or tenure certificate) once IDA2 has been established and subject to municipal capacity and tenure management systems being established.
 - vi. Housing: People will need to be encouraged to improve their own housing. A requirement to build improved housing should preferably be linked to the award of any individual form of tenure security (e.g. a municipal tenure certificate).

2. **General category B1 settlements** (in situ upgrades outside PIC and urban zones) – 48% of all households.

- i. Strategic objectives: The main objective is to improve quality of life and services access within these settlements and mitigate health and safety threats. Even though these settlements are not as well located as the previous category, in provincial context, they are still well-located (e.g. compared to rural settlements) - eThekweni is the main economic hub for KZN and affords good access to employment opportunities and social services. Wherever possible, a comprehensive package of essential services should be provided.
- ii. Services: Priority services should include: communal ablutions; standpipe wash facilities; fire hydrants; electricity; and solid waste bins and containment areas. When resources permit or improved access is critical, footpaths and related storm-water controls and some roads may also be considered. Where possible, roads and footpaths should be established before settlement densities make it impossible to establish services access ways within the settlement. The road access and public transport efficiency within specific areas or precincts may need to be considered in order to enable a more efficient future urban form and as such these may require some master planning at precinct-level. Wherever possible services should be designed so that they are permanent, durable and part of a long-term permanent solution. Services which are most critical should be provided first and services may therefore not always be provided in an integrated/simultaneous fashion due to fiscal, land and other constraints. Typically, settlements with the biggest deficit of a particular service (e.g. electricity or communal ablutions) would receive the highest priority for the provision of that particular service, all other things being equal.
- iii. Relocations: Relocations should be avoided except where there are households at severe risk (refer to dedicated pipeline category below).
- iv. Planning: IDA1 should be established for all settlements. Transition to IDA2 can be considered in future when the required preconditions and arrangements are in place.
- v. Tenure: Initially administrative recognition but potentially transitioning to incremental individual tenure once land has been acquired and other arrangements are in place.
- vi. Housing: As for best-located B1 settlements. Residents should be encouraged to improve their own housing.

3. B2 settlement (deferred relocations) – 11% of all households.

- i. Strategic objectives: The main objective is to mitigate health and safety threats and provide a basic level of temporary service in order to address imminent health and safety threats. Given that the relocation is deferred, and the urgency of it may vary significantly across B2 settlements, consideration should be given to distinguishing near-term relocation (e.g. within the next three years) and those which are longer term

- (e.g. B2S vs B2L). This may assist in guiding the nature of servicing which may be appropriate.
- ii. Services: Priority services should include: communal ablutions; standpipe wash facilities; fire hydrants; and solid waste bins and containment areas. The delivery of these services will typically not be provided in an integrated/simultaneous fashion. The focus will be on first addressing those services deficits which are most severe and critical. The level of servicing should be at a minimal level given the temporary nature of the services and the intention to eventually relocate the settlement. A lower level of service and cost structure may be appropriate relative to B1 settlements (e.g. in terms of toilet to household ratio). Typically, settlements with the biggest deficit of a particular service (e.g. communal ablutions) would receive the highest priority for the provision of that particular service, all other things being equal. Electricity may also be considered depending on the relocation delay and extent of the threat posed by the use of other forms of energy (e.g. paraffin) or of illegal electrical connections. Roads and footpaths would generally not be appropriate.
 - iii. Relocations: The settlement (or affected portion) is due to be relocated. The general principles relating to relocation as outlined previously should be adhered to as far as possible.
 - iv. Planning: If there will be a significant delay in the relocation (e.g. more than three years) then TDA land use area should be established.
 - v. Tenure: Administrative recognition as a temporary settlement only. No form of individual tenure security is appropriate given the temporary nature of the settlement.
 - vi. Housing: No housing will be provided on the site given the temporary nature of the settlement. Consideration should however be given to the most appropriate solution on the relocation site (e.g. conventional housing vs alternative typology vs service land release with occupants providing their own housing).

4. Category C settlements (imminent relocations) – 4% of all households (although further analysis of these areas is required).

- i. Strategic objectives: The objective is to rapidly relocate the settlement. If there will be a significant delay in achieving this, then the settlement should be re-categorised as a B2 (deferred relocation).
- ii. Services: Given that the relocation is imminent, little or no service provision will be appropriate. In the event that the relocation is deferred for a period longer than a year or two (i.e. a relocations solution is not yet available), then the settlement should be re-categorised as B2.

- iii. Relocations: The settlement (or affected portion) is due to be relocated. The general principles relating to relocation as outlined previously should be adhered to as far as possible.
- iv. Planning arrangements: Not applicable given that the settlement (or portion thereof) is about to be relocated.
- v. Tenure: Not applicable given that the settlement (or portion thereof) is about to be relocated.
- vi. Housing: No housing will be provided. Residents may opt to improve their housing, but should be advised that such improvements may be abortive given the intention to eventually relocate the settlement.

5. Households at severe risk – an undetermined number of households (further assessment and analysis required).

- i. Strategic objectives: Responses in this category should receive a high priority given that lives may be at risk. Once identified, responses mitigating or addressing specific risks (e.g. severe flooding, fire, profound slope instability, proximity railway lines) should expedited. Responses will need to be tailored to the specific risks and may be cross-cutting (benefiting many vulnerable areas e.g. in respect of optimised fire response for high density areas). There may be households at severe risk across any category of settlements (B1, B2 or C) given that threats will often be confined to specific portions of settlements (e.g. river banks or railway line reserve). All households at severe and imminent risk of loss of life in the City should be identified as quickly as possible and emergency mitigation strategies determined which may include immediate relocation or other mitigations e.g. flood attenuation measure, early flood warning / response, improved fire response. These extreme risks would normally affect only portions of certain settlements and it is expected that the total number of households affected will be relatively small (with the exception of fire risks which should be regarded as a special case and will require a dedicated response). Further analysis is required in order to identify these most-at risk households and some of this work is already underway in terms of flood delineation work. A special pipeline for fire protection responses should be established within this pipeline, especially for very dense, fire-prone settlements and may include improved infrastructure such as fire hydrants, enhanced local fire response plans and household education for improved prevention. This category of pipeline response would exclude those households who face general vulnerabilities arising from other services deficits (such as sanitation or electricity). These are dealt with through the other pipeline categories outlined below.

- ii. Services: As appropriate – see above.
- iii. Relocations: As appropriate – see above.
- iv. Planning arrangements: Not applicable.
- v. Tenure: Not applicable to this category of response.
- vi. Housing: Not applicable to this category of response.

5) IMPLEMENTATION OF STRATEGY

The Strategy establishes a clear strategic direction, including priority areas where further work is required in order to realize and operationalize the optimized, city-wide approach. The following are some of the workflows which will need to be taken forward as part of the early stage implementation of the Strategy:

1. *Optimised pipeline planning and related services*: Finalising the optimal mix of services for different pipeline categories and relating O&M solutions through engagement between the relevant line departments.
2. *Transversal coordination*: Finalising the optimal coordination and responsibilities across the various line departments within the Municipality involved in incremental upgrading.
3. *Incremental planning solutions*: Including finalisation of incremental development areas as part of the municipality’s land use management framework and piloting these.
4. *Incremental tenure solutions*: Exploring the viability and preconditions for incremental individual forms of tenure such as municipal certificates.
5. *Grant instruments*: Engagement with national government regarding grant instrument optimisation in the light of the City-wide Strategy, including in respect of O&M.
6. *ECD Strategy*: Finalising the Municipality’s ECD Strategy which amongst other things will determine the optimal collaborative approach for supporting and scaling up improved ECD services for residents of informal settlements.

1. PREAMBLE

Rationale for an optimised upgrading approach

Conventional approaches to informal settlement upgrading premised on formalization have not been successful in addressing informal settlement backlogs due amongst other things to there being insufficient funding relative to the scale of existing settlements, a lack of alternative well-located land, ongoing urbanization and influx and various complexities related to the silo nature of service delivery in local government. The informal settlement backlog has grown despite substantial formal housing delivery. In addition, conventional housing programmes have done little to promote urban integration and spatial justice, and have instead contributed to urban sprawl and high transport costs for the poor.

There is an acknowledgement that the informal settlement challenge is complex and requires multi-stakeholder approaches that are participative, partnership-orientated and rooted in incrementalism. This is in line with the National Upgrading of Informal Settlements (UISP) policy and shifts in international practice. The Covid-19 Pandemic has increased the priority for incremental upgrading including the accelerated and enhanced provision of basic water, sanitation, solid waste management and the need to open up space in settlements through ‘re-blocking’ in order to enable improved services to be installed. There have also been policy announcements from the National Minister of Human Settlements in 2020 which indicate that the provision of formal, conventional housing is no longer affordable or sustainable and that, going forward, the main priority should be on the provision of basic essential services (including incremental, in-situ upgrades) and the release of serviced land.

Council Resolution of 2019

In order to ensure that informal settlements upgrading is more effective, scale-able, participative and collaborative across various sectors and that the outcome of upgrading is improved quality of life for informal settlements residents, the eThekweni Council approved a Report outlining a new approach to informal settlements upgrading in eThekweni Municipality in September 2019 (**Annexure B**). The Report proposed that servicing of informal settlements be incorporated into Plan 3 (Creating a Quality Living Environment) of the IDP. The goal of Plan 3 is to promote access to equitable, appropriate and sustainable levels of household infrastructure (basic services) and community services and facilitate access to housing. Furthermore, the new approach to informal settlements upgrading is aimed at fostering a more functional relationship between the state and

the urban poor and to leverage the partnerships necessary for more effective social capital formation. Amongst other things, Council resolved that an updated programme description for the Incremental Services Programme be developed and that incremental planning, land rights and tenure solutions be addressed. The national categorization framework for informal settlements formed part of the report to Council along with various other key principles such as the role of the incremental upgrading forum (now known as the Informal Settlement Incremental Upgrading Forum or ISIUF), the importance of also providing social services such as ECD alongside municipal infrastructural services, and the need to establish a more effective pipeline of upgrading projects.

Process for drafting of this Strategy and role of ISIUF

This Strategy has been developed by a working team including officials from the Human Settlements Unit, Research and Policy Advocacy Unit, and Planning Unit. An inter-departmental meeting with line departments was held in respect of optimized pipeline planning in May 2021 and further working teams are to be established to take the process forward. This Strategy has been tabled to City's Informal Settlement Incremental Upgrading Forum (ISIUF) and feedback obtained from the Forum. Line Departments via the ISIUF and various working teams will be responsible for operationalizing this Strategy in its various facets (e.g. in relation to optimized pipeline planning, new servicing options and incremental planning and land-rights solutions).

Barriers to be overcome

Although the new and optimised upgrading approach is in line with the UISP and international good practice, and although a substantial incremental services programme is already underway dating back to 2010, there are a range of barriers which need to overcome (as outlined in section 4 **Error! Reference source not found.**) and substantial optimization is also required (as outlined in section 5). This Strategy will serve to assist in articulating barriers and establishing a programmatic response in order to address and overcome them.

Focus of the optimized upgrading approach

The optimized upgrading approach is aimed at deepening the quality of life of informal settlement dwellers through the provision of improved and more accessible basic services as well as the inclusion of key social services such as early childhood development centers, schools, clinics, access to safe public spaces, access to public transport, support urban safety objectives and economic development opportunities that are sustainable and climate smart. Moreover, it is imperative that the new approach to informal settlement upgrading is aligned to the Resilience Strategy's RBO 1: Collaborative Informal Settlements Action and RBO 2: Integrated and innovative planning at the interface between municipal and traditional governance systems. Overall, this new approach to informal settlement upgrading is premised on South Africa's Constitutional imperative of the provision of basic services as an extension of human rights to all South Africans.

The new approach also proposes innovative exploration of circular green economic opportunities for job creation and off-grid energy generation and sanitation solutions. It positions informal settlements upgrading as a catalyst for innovative change towards climate justice through entrenching interventions focusing on reducing climate risk mitigation which include deploying early warning systems, innovative engineering designs, tree planting for soil stabilization.

Transversal coordination, IGR and partnership

To achieve all of this, eThekweni Municipality recognizes the importance of facilitating effective transversal management internally (i.e. improved coordination and cooperation between municipal line departments) as well as improved intra-governmental relations (IGR) with the provincial and national spheres of government, in order to ensure that the new informal settlements upgrading approach is fully supported and implemented across multiple sectors and across spheres of

government.

The new approach is aligned to international approaches to informal settlements upgrading which are an attempt to ensure that no one is left behind and that informal settlements incrementally become sustainable human settlements. More effective partnerships and collaborations, those within government as well as those with communities and non-governmental support organizations, are central to the approach.

Applicable Legislation and Policies

This Strategy is developed and guided by the following legislations and regulations:

- United Nations Sustainable Goals 2030
- UN-Habitat New Urban Agenda 2030
- The Constitution of the Republic of South Africa, 1996, (Act No.108 of 1996);
- The National Housing White Paper 1997
- Breaking New Ground 2004: A Comprehensive Plan for the Development of Sustainable Human Settlements in South Africa (i.e. the updated National Housing Code)
- The National Upgrading of Informal Settlements Programme (UISP) 2004 (Part 3 of the above 'BNG' policy)
- Housing Act 107 of 1997
- National Housing Code 2009
- Intergovernmental Relations Act 13 of 2005
- White Paper on Water Supply and Sanitation Policy (1994)
- National Sanitation Policy (October 1996)
- White Paper on Basic Household Sanitation (2001)
- Strategic Framework for Water Services: Water is Life, Sanitation is Dignity (September 2003)
- Free Basic Water Implementation Strategy (August 2002)
- National Sanitation Strategy: Accelerating Sanitation Sector Delivery (August 2005)
- Framework for a Municipal Indigent Policy (September 2005)
- Guidelines for the Implementation of the National Indigent Policy by Municipalities (November 2005)
- Free Basic Sanitation Implementation Strategy (April 2009)
- National Water Services Regulation Strategy (NWSRS) (2008)
- Geographic Information System Policy;
- Local Government: Municipal Finance Management Act, 2003, (Act No.56 of 2003);

- Local Government: Municipal Structures Act, 1998, (Act No. 117 of 1998);
- Local Government: Municipal Systems Act, 2000, (Act No. 32 of 2000);

2. PURPOSE OF STRATEGY

The overall purpose of this Strategy is to define the key principles and approaches necessary for an optimized approach to incremental upgrading in eThekweni Municipality. In many instances it describes existing practices which have not previously been documented (e.g. regarding the national categorization framework for informal settlements and the provision of certain shared services such as communal ablutions). In others, it outlines new principles which City officials will need to take forward and operationalize (e.g. regarding differentiated pipeline planning and incremental planning arrangements). The overall approach is in line with national policy principles and the Upgrading of Informal Settlements Programme (UISP) which prioritises incremental, in-situ upgrading with relocations as a last resort. The development of this Strategy is also in response to a Council Resolution and related Report dating back to September 2019. It is also noted that a City-wide Upgrading Strategy is a requirement for the UISP Business Plan.

Specific purposes of this Strategy are therefore to:

- 1) ensure an elevation of informal settlements upgrading as a strategic municipal priority;
- 2) enable more effective and scaled up incremental upgrading which includes all settlements and households by overcoming various problems or barriers which currently impede the achievement of this strategic objective (as outlined in section 4 of this Strategy);
- 3) continue strengthening governance and institutional coordination;
- 4) guide the coordination of resource planning and allocation for informal settlements upgrading to ensure better integration and efficiency of service delivery;
- 5) support informal settlement upgrading process as a catalyst for the creation of sustainable human settlements;
- 6) integrate data more effectively to inform planning, monitoring and strategic decision-making;
- 7) enhance innovation to ensure informal settlements are sustainable and climate-smart;
- 8) facilitate effective monitoring and evaluation in integrated services delivery for the informal settlement upgrading;
- 9) enable achievement of outcome 1 of the municipality's adopted Resilience Strategy regarding collaborative informal settlements upgrading (RBO1) – Annexure D.

3. INFORMAL SETTLEMENT STATUS QUO

3.1. Overview and definition of informal settlement

eThekweni has the largest number and population of any city in South Africa. There are over 580 urban informal settlements in the Municipality which are home to more than 314,000 informally-settled households. This constitutes nearly a quarter of the City's population.

Most settlements are on land with challenging topography, typically being steep and often intersected with streams and rivers. Settlement densities are often high and some settlements are within environmentally sensitive areas.

Most settlements are well-established and date back more than ten and often more than twenty years. Some settlements date back as far as the 1980s.

Most settlements are well-located relative to economic/livelihood opportunities and social services even if the underlying land is often challenging to service and develop.

Many settlements are dense with more than 200 dwelling units per hectare of land.

Definition of informal settlement:

For purposes of this Strategy, informal settlements are defined as being those settlements which can be characterized as being:

- **Informal in nature:** Typically lacking formal, approved town planning layouts, township establishment, residential zoning and related regulatory approvals, with housing which is typically informal in nature and often in the form of make-shift shacks.
- **High levels of poverty, vulnerability and services deficits:** Typically occupied by low income households, lacking adequate basic services and with housing stock which is typically make-shift and inadequate. There also be additional threats e.g. due to flooding or hazardous servitudes. This specifically excludes settlements which, though they may lack formal planning approvals, are occupied by residents who are not poor and where

may be large, high value houses built using formal materials and building methods (e.g. some peri-urban settlements on traditional land).

- **Dense to moderately dense:** Typically, with 100 or more dwelling units per hectare and often exceeding 300. Such settlements are distinct from low-density urban and peri-urban settlements. Settlements with fewer than 25 dwelling units per hectare would not normally be regarded as informal settlements.

It is noted that the 2009 National Housing Code’s Informal Settlement Upgrading Programme adopts a broad and inclusive definition for informal settlements. It characterizes informal settlements as settlements demonstrating one or more the following characteristics¹:

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

With regard to the location of informal settlements, it is noted that many informal settlements in eThekweni are in fact well located spatially (in contrast to some other parts of South Africa). For example, approximately 31% of all households residing in category B1 settlements scheduled for in-situ upgrading (202 settlements) reside within the prime investment corridor and urban zone. Even settlements residing outside of these ‘best located’ areas within the Municipality are nonetheless well located in provincial context given that eThekweni is the major economic hub of the province.

3.2. Categories of settlements

77% of all settlements (220,000 households) are in the B1 category, making incremental, in-situ upgrades of various types the main upgrading priority in the City. The second biggest category is B2 (deferred relocations) at 11% with 30,500 households identified for eventual relocation with emergency services provision in the meantime. Formal/conventional upgrades (i.e. housing projects) constitute 10% of the total and only 2% of households are identified for imminent relocation.

¹ 2009 National Housing Code, Chapter 3, Part 5: “Incremental Interventions, Upgrading Informal Settlement”, pg. 16

NUSP Categorisation	No. settlements	Est. households	% settlements	% households
A (full conventional upgrading i.e. housing project)	56	22 131	9,5%	7,1%
B1 (Incremental upgrade with essential services)	352	246 348	60,0%	78,8%
B2 (Deferred relocation with emergency services)	135,5	33 009	23,1%	10,6%
C (Imminent relocation)	34,5	10 954	5,9%	3,5%
Under investigation	9	299	1,5%	0,1%
	587	312 741	100,0%	100,0%

3.3. Upgrading approaches adopted to date

- 1994-2010: FORMAL HOUSING PROVISION:
 - Approach: The dominant approach (in line with National Housing Policy) was the provision of formal state-funded housing with title deeds (formal tenure), formal planning, and the provision of full individual services to each site. Substantial delivery was achieved: More than R9billion was spent creating >200,000 housing opportunities were provided with delivery peaking at 15,000 units per annum around 2009.
 - Challenges: The approach has been found to be sustainable. The informal settlement backlog grew despite large scale housing delivery. There is insufficient funding and well-located land to enable the approach to be continued as the primary means of addressing the informal settlement challenge. Low density housing provision was also exacerbating urban sprawl.
- 2010-2020: INTERIM SERVICES PROVISION:
 - Approach: The revised approach shifted to upgrading households in-situ with basic services and functional tenure wherever possible (in line with the 2004 national Upgrading of Informal Settlements Programme – UISP). Significant basic/interim services delivery was achieved over this time.
 - Challenges: The provision of services was not rapid enough and many households remained un-serviced. Settlements continued to expand and densify. Living conditions in most settlements remained poor. The cost of ‘interim’ services grew significantly (including in respect of operating and maintenance costs) but there

was limited reworking of space in order to optimise the urban form and justify the substantial investments being made. Settlements remained outside of the municipality's planning frameworks. More efficient use of funding and resources became necessary to address sustainability challenges.

- 2020 ONWARDS: OPTIMISED CITY-WIDE INCREMENTAL UPGRADING:
 - Approach: A differentiated, city-wide approach as per the national settlement categorisation has been adopted and as outlined in more detail in section 5 of this Strategy. This includes such optimised responses as: enhanced pipeline planning and prioritisation with better differentiated responses; incremental planning and tenure solutions; optimised servicing approaches such as the provision of an integrated services frame for dense, best-located settlements; alternative housing typologies which enable use of steep well located land; expanded partnerships including with civil society organisations.
 - Challenges: Key challenges have included weak coordination between municipal departments, funding constraints and regulatory inflexibility e.g. regarding building standards. Refer to section 4 of this Strategy for more details regarding challenges which need to be overcome.

3.4. Incremental services delivered to date

Dating back to 2010, significant incremental services have been provided to residents of informal settlements, initially via its Interim Services Programme, and now via its optimised Incremental Upgrading Programme. Services provided to date include:

- **Communal ablution facilities (CABs):** More than 1,507 units delivered benefiting more than 113,000hh in more than 370 settlements.
- **Electricity:** More than 102,000hh benefiting from electrical connections with 226 settlements fully electrified and 45 partially electrified.
- **Water supply** (standpipes & via communal ablutions) to most settlements including 'relocation' settlements: at least 148,000hh within approximately 231 settlements.
- **Roads, footpaths & storm-water (RFS):** 26,500hh in 40 settlements; +32km road, +27km footpaths.
- **Solid waste collection** to most informal settlements on a weekly basis.

3.5. National shift in upgrading approach

There has been a national shift in approach towards informal settlement upgrading. In-situ incremental upgrading with relocations as a last resort has been national policy dating back to 2004 in terms of the Upgrading of Informal Settlements Programme (UISP).

In recent years, due to a failure nationally to sufficiently implement the UISP, there has been an increasing shift in priority in terms of scaling up incremental in-situ upgrading and overcoming various barriers which have historically prevented this from occurring.

The National Minister of Human Settlements announced in 2020 that formal housing provision is no longer affordable to fiscus nor sustainable, and that the main priority should now be on basic services provision (e.g. via incremental upgrading) and serviced land release.

The knowledge resources and toolkits of NUSP provide more detail on this incremental approach and the Programme Toolkit developed in 2017 via CSP and which forms part of these resources, provides more detail on the main barriers to scaling up an incremental approach ‘city-wide’ and how they can be overcome. These toolkits have been referred to and have informed the development of this Strategy in various key areas and in particular in terms of finding solutions to overcoming various barriers to scaling up.

The optimised approach can be characterised as follows:

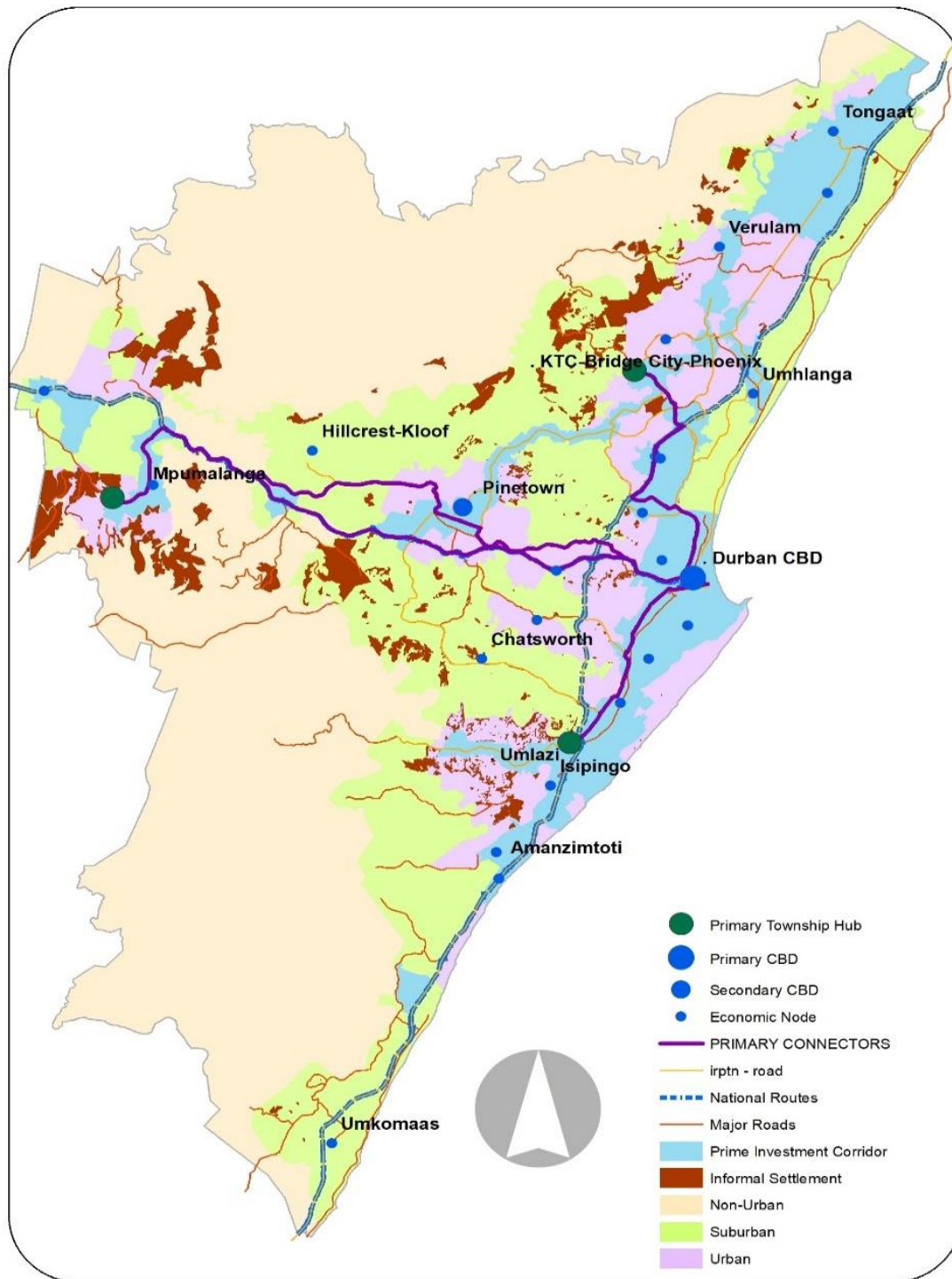
- **INCLUSIVE & CITY-WIDE** – reaches ALL informal settlements
- **INCREMENTAL** – improvements over time
- **IN-SITU** – relocations a last resort
- **PARTNERSHIP BASED** – municipality, communities, CSO/NGOs, universities etc.
- **PARTICIPATIVE** – communities are co-drivers
- **PROGRAMMATIC & AREA-BASED** – as opposed to project-delivery focussed
- **DIFFERENTIATED** – addresses a range of key local priorities, not one-size fits all
- **FLEXIBILITY** – statutory and regulatory, working with not against informality

3.6. Spatial patterns

Most informal settlements are relatively well-located, even if the underlying land may often be

difficult to develop (due to steep slopes and high densities etc.).

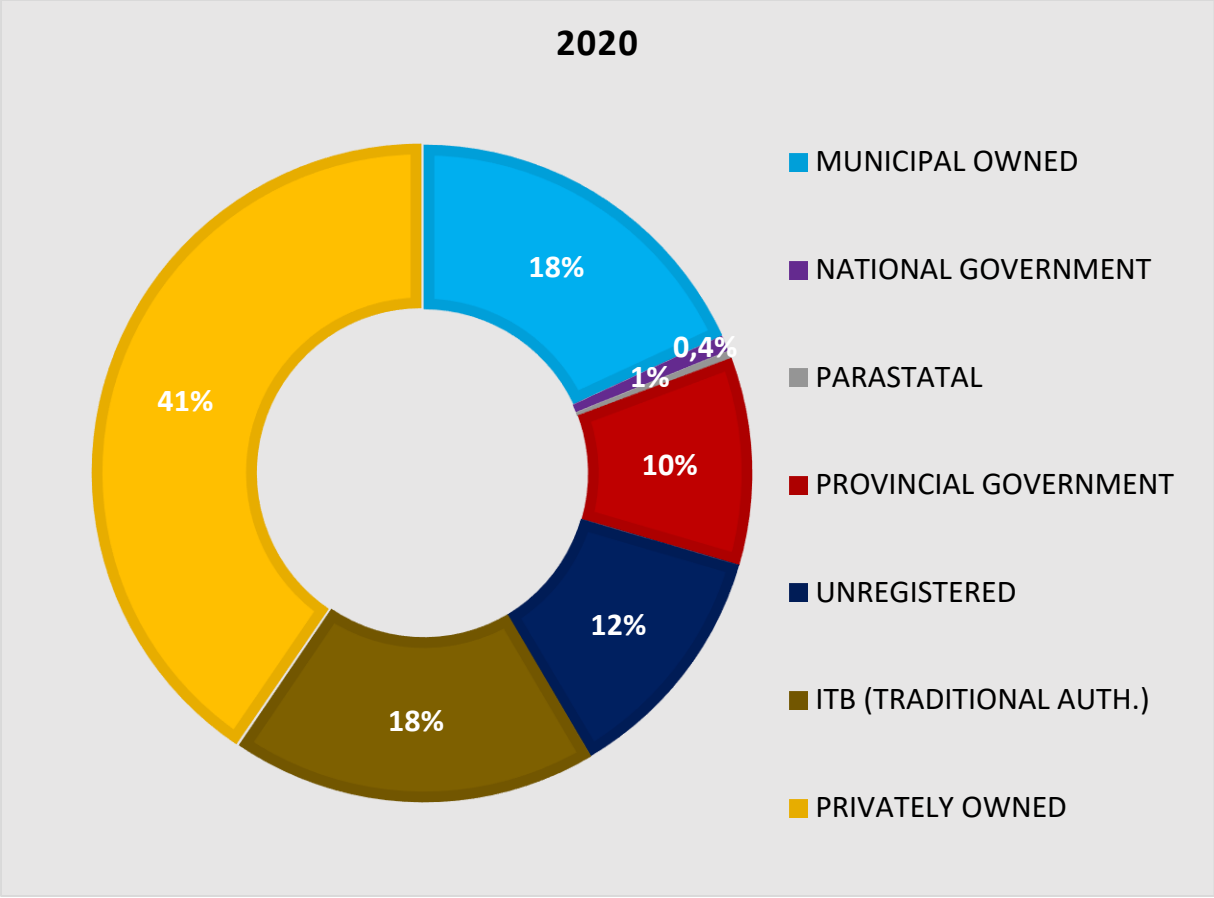
Best-located category B1 settlements constitute a particular priority and opportunity for obvious reasons. There are large numbers of these best-located settlements in the eThekweni Metro which are designated as permanent and suitable for in-situ upgrading over time (i.e. category B1 settlements). They typically have good access to social facilities and employment opportunities and are well-established, often dating back more than 10 and often more than 20 years. Such settlements are numerous and constitute almost half of all the informal settlements in the City (135,275 households in 218 settlements out of a total of 580 settlements and 285,000 households).



3.7. Land ownership

41% of all settlements are on on private land (and 59% if Ingonyama Trust Board land is included). This creates particular challenges for upgrading and has resulted in the city adopting an approach of providing basic services in advance of land acquisition. This approach and its optimisation is covered in more detail within this Strategy – refer to sectoin 5.9 and 5.10.

OWNER CATEGORY	AREA HA	% AREA
MUNICIPAL OWNED	1 791	18
OWNER CATEGORY	81	1
PARASTATAL	43	0
PROVINCIAL GOVERNMENT	1 010	10
UNREGISTERED	1 195	12
ITB (TRADITIONAL AUTH.)	1 786	18
PRIVATELY OWNED	4 016	41
TOTAL	9 920	100



3.8. Partnerships and collaborations

eThekweni has various enabling partnerships and collaborations which support incremental upgrading in the City. These include:

- National Treasury’s Cities Support Programme (CSP): Technical Support for Innovative Upscaling and Upgrading of Informal settlements via an incremental, in-situ, participative and partnership based approach.
- NDHS’s National Upgrading Support Programme (NUSP): Participative Planning, Sustainable Livelihoods and Failitation Support to Informal Settlement Upgrading Projects.
- iQhaza Lethu Incremental Upgrading Partnership Programme in collaboration with Project Preparation Trust (PPT) via an MOA, including community and other partners, and co-funded by the European Union - includes ten incremental upgrade pilots (participative and innovation led) and enabling programme support work.

- S.A. Shack Dwellers International (SASDI) and Federation of the Urban Poor (FEDUP) in terms of profiling of selected informal settlements via an MOA.
- Durban's Resilience Strategy: Collaborative Informal Settlement Action.
- United Kingdom Prosperity Fund (UKPF) Data Gathering and Integration Project – Informal Settlement Information Management System (ISIMS).
- Survey and infrastructure improvements for under-resourced ECD centres in informal settlements and township communities in collaboration with PPT and other support NGOs and funders and numerous grassroots ECD operators / NPOs.
- Private Sector Partnerships e.g. with Tongaat Hulett and others on Blackburn Village Social Sustainability Innovation Programme (SSIP).
- African Forum for Urban Safety (AFUS).
- Grassroots Approaches Towards Self-Reliance in South Africa: the Isulabantu Project (Informal Settlements Upgrading Led by the Community).
- Bill and Melinda Gates Foundation in terms of innovative sanitation solutions for informal settlements.

3.9. Data and pipeline planning

In 2020 the City's informal settlement database was significantly strengthened through the acquisition of additional data on settlements and the addition of significant additional functionality to the database. This included verifying and correcting settlement boundaries, confirming certain settlement names, adding certain new settlements, updating household counts, calculating net densities, obtaining updated service delivery information from various municipal line departments, and quantifying services deficits.

The database now contains 587 settlements with more than 100 data fields for each settlement relating, amongst other things, to: settlement description (name, ward, categorisation, household count, density etc.); land, zoning and planning; physical conditions; site constraints and threats; services delivered; service delivery deficits; various analytical fields which enable prioritisation and pipeline planning.

A prioritisation method or framework was also developed. The approved Council Report of 2019 included the following broad prioritization criteria: vulnerability; services deficit; population coverage (settlement size); age of settlement; community readiness; location (refer section 5.4 or to the Council Resolution and Report at **Annexure B** for details). In addition to utilising the these

broad prioritisation criteria, it also needed to factor in the national upgrading categorisation framework, which has also been adopted by eThekweni. This framework distinguishes four categories of settlement (A, B1, B2, C) and with the two most prevalent categories being B1 (permanent settlement, in-situ upgrade over time with essential basic services provision) and B2 (deferred relocation with emergency basic services in the meantime). The framework also takes account of the significant number of dense, best-located B1 settlements which typically warrant a different, better integrated and more qualitative servicing approach (such as the ‘services frame’) given their strategic importance. It is noted that these settlements typically have excellent access to social facilities and employment opportunities and are well-established, often dating back more than 20 years. They also constitute almost half of all the informal settlements in the City - 135,275 households in 218 settlements out of a total of 580 settlements and 285,000 households). Optimised servicing can unlock a strategic opportunity for more inclusive city-building and lay the foundation for a different and improved and more inclusive future urban form.

In addition to the current database, an Informal Settlement Information Management System (ISIMs) is being developed. This Informal Settlement Informal Management Solution is currently being scoped and designed, through the support of the United Kingdom Prosperity Fund. The aim of the solution is to provide rules and tools for the collection, management and analysis of informal settlement related data. The solution will facilitate the sharing the information between line departments and provide tools to assist in reporting and data-driven decision making.

There are also initiatives to improve community feedback mechanisms. Some work was done in 2020 piloting the use of a Kobo platform to obtain community-level data and the City also obtains community-level feedback via the Asivikelane initiative.

For more information, refer to section 5.15 of the strategy which regarding data management and pipeline planning.

3.10. Informal Settlement Incremental Upgrading Forum (ISIUF)

eThekweni Municipality has a well-established Informal Settlement Incremental Upgrading Forum (ISIUF) (formerly known as the Incremental Services Technical Forum) which serves to coordinate the City’s Incremental Upgrading Programme, especially in respect of coordination between different Municipal Line Departments.

The ISIUF was established by the eThekweni Municipality’s Human Settlements Unit. The ISIUF

is guided by Plan Three (creating a quality living environment) of the eThekweni Municipality's Integrated Development Plan and the National Housing Code, Part 3 (Upgrading Informal Settlements) that focuses on incremental upgrading. It is also aligned with The New Urban Agenda and the Sustainable Development Goals. The ISIUF is a platform for the joint planning and implementation of the incremental upgrading of informal settlements, which fall into one of the following three developmental response categories²:

- Category B1 – Incremental basic services (in-situ upgrade)
- Category B2 – Emergency basic services (deferred relocation)
- Category C – Imminent relocation

Incremental upgrading activities which are included in the agenda of the ISIUF are:

- **Infrastructure services:** Such as roads, footpaths and stormwater controls, electricity, sanitation and stormwater are delivered by the Development Engineering, Electricity, and Water and Sanitation Units. Improvements to existing and/or new builds for Early Childhood Development (ECD) Centres are being facilitated by the Human Settlements Unit.
- **Operational services:** Such as solid waste collection, land invasion control and health services are being delivered by the Cleansing and Solid Waste, Health, and Security Management Units. Interventions by other departments such as Parks in terms of tree felling for instance, still need to be confirmed.
- **Social services:** Such as youth sports programmes, entrepreneurial skills and informal business centres are delivered by the Social Services Cluster, Area Based Management, and Business Support Units.

The ISIUF brings together key stakeholders from within the eThekweni Municipality is a platform for the joint planning and implementation of the incremental upgrading of informal settlements within the eThekweni municipal area. The specific functions of the ISIUF are to:

1. Facilitate and improve the coordination, joint planning and technical implementation of incremental upgrading in informal settlements in the eThekweni municipal area so that essential infrastructure, operational and social services are delivered to informal

² Category A (full upgrading) is not considered as part of the ISUTF purpose. Detailed descriptions of the developmental response categories of informal settlements can be found in the following report: http://thehda.co.za/pdf/uploads/multimedia/HDA_Rapid_assessment_and_categorisation.pdf

settlements in a logical way. This will involve promoting transversal management and holistic implementation of incremental upgrading interventions in order to reduce the duplication of effort, jointly overcome obstacles to interventions, and create opportunities for the alignment of initiatives.

2. Design and structure an informal settlement project ‘pipeline’, for incremental upgrading to enable the necessary budgets to be allocated on a multi-year expenditure (MTEF) framework basis.
3. Determine how informal settlements, selected for various programmes such as the USDG and UISP are planned for in a coordinated way.
4. Identify new interventions and innovative approaches to more effectively and efficiently implement incremental upgrading in informal settlements in line with the Informal Settlements Programme as described in the Human Settlements and Infrastructure Committee report of 8 August 2019 and Durban’s Resilience Strategy (See Figure 1 on the next page).
5. Enable municipal units and departments to learn from each other to be able to implement best practices.
6. Collect and share data and information related to informal settlements between Municipal Units and Departments in forms that are easy to access and use.
7. Ensure that data on informal settlements is accessible and in a consistent form.
8. Agree on how progress is reported on in terms of various requirements such as the Service Delivery and Budget Implementation Plan (SDBIP), Circular 88, USDG, UISP, etc and develop appropriate templates.
9. Report coherently on the delivery of services to informal settlements and challenges experienced by the relevant Municipal Units and Departments to:
 - a. the relevant platforms such as the DCM: HSET Cluster Forum, the USDG Committee and others that may be convened.
 - b. the various spheres of government.

3.11. Resilience Strategy

In July 2017 eThekweni Municipality’s City Council adopted Durban's Resilience Strategy. This was the culmination of an eighteen-month consultative process with Durban's stakeholders and is anchored around two Resilience Building Options (RBOs). The two RBOs are: RBO 1 ‘Collaborative Informal Settlement Action’; and RBO 2 ‘Integrated and innovative planning at the interface between municipal and traditional governance systems’. These two RBOs are seen to be strategic entry points into the complex resilience landscape in Durban, and present an opportunity

to test what might be required for the city to act in more systemic ways in addressing critical resilience challenges.

RBO 1 ‘Collaborative Informal Settlement Action’

Durban’s Resilience Strategy identifies eight outcomes that need to be achieved in order to achieve RBO 1 ‘Collaborative Informal Settlement Action’. These outcomes are:

- **Outcome 1:** EThekwini Municipality has a committed team of **champions** that is supported by **coordinating institutional structures** to ensure collaborative informal settlement action
- **Outcome 2:** Consolidated quantitative and qualitative community and Municipal-collected **data, information and knowledge** on all informal settlements in Durban are accessible to all and updated regularly
- **Outcome 3:** The **use of land for informal settlements** is proactively managed in Durban
- **Outcome 4:** EThekwini Municipality facilitates the establishment of proactive, innovative and city-wide **partnerships** to develop and execute collaborative informal settlement action
- **Outcome 5:** EThekwini Municipality secures the **human and financial resources** required to undertake collaborative informal settlement action
- **Outcome 6:** EThekwini Municipality has enabling and **integrated administrative systems and simplified regulatory procedures** that facilitate the accelerated implementation of city-wide, collaborative informal settlement action
- **Outcome 7:** Monitoring and evaluation of collaborative informal settlement action is institutionalised in eThekwini Municipality
- **Outcome 8:** All informal settlements in Durban exhibit **improved social, economic and environmental well-being**, which in turn enhances Durban’s resilience

A provisional implementation plan was developed for RBO 1. This document is a summary of the Actions related to Outcomes 1 to 7 from the Provisional Implementation Plan for Resilience Building Option (RBO) 1 ‘Collaborative Informal Settlement Action’. Refer to **Annexure D** for more information.

3.12. eThekwini One Plan

This Strategy is aligned with principles and transformations contained in the eThekwini One Plan which is based on the District Development Model (DDM) Theory of Change. The eThekwini One Plan postulates six interrelated and interdependent transformations to move from the current situation to a desired better future. Central to achieving this desired future is the co-created vision developed by the 3 spheres of government, which is by 2050 eThekwini will be A Leading Smart Port City Region that is Just, Safe, Sustainable, Socially Cohesive and Culturally Expressive. Within the One Plan, addressing informal settlements and human settlements finds expression in three out of six of the identified transformation areas, namely:

- (a) **Spatial Restructuring and Environmental Sustainability** – the process by which a transformed, efficient and environmentally sustainable spatial development pattern and form is created to support a competitive local economy and integrated sustainable human settlements. Spatial restructuring informs infrastructure investment in terms of quantum as well as location and layout of infrastructure networks.
- (b) **Infrastructure Engineering** – the process by which infrastructure planning and investment especially bulk infrastructure installation occurs in order to support the transforming spatial pattern and form, meet the needs of a competitive and inclusive local economy and integrated human settlements, and ensure demand for housing and services is met in a sustainable way over the long-term.
- (c) **Integrated Services Provisioning** – the process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. This also requires holistic household level service delivery in the context of a social wage and improved jobs and livelihoods.

4. PROBLEM STATEMENT AND POLICY IMPLICATIONS

4.1. Overview of main challenges

- 1) There are challenges with coordination across various clusters and Units, making it difficult to optimize the allocation and use of scarce resources (including funding, human resources and external stakeholders). Upgrading processes tend to occur in ‘silos’ making it difficult to optimally achieve the objective of building more sustainable human settlements (especially in relation to the planning and provision of essential services).
- 2) There challenges integrating and coordinating budgets across line departments and significant budget constraints. The rate of expenditure is also a problem (i.e. budget not always spent in the assigned financial year).
- 3) There is limited flexibility to make budget adjustments and/or to move budget away from non-performing/blocked projects to others and/or to assign budget for interventions that service multiple projects.
- 4) Basic services need to be delivered to a better standard and in a more integrated fashion and delivery needs to be more programmatic and at scale
- 5) There are challenges with the new USDG in UISP window which is currently the primary incremental upgrading grant.
- 6) There are currently no programmatic and integrated procurement arrangements for incremental upgrading. Current framework contracts are separate and per service unit making it difficult to design and deliver integrated services.
- 7) The municipality is obliged to provide basic services for residents of informal settlements whether they are on public or private land, it being noted that 41% of settlements are on private land. Although the municipality is making good progress in developing improved processes to deal with this, more work is required to enable effective implementation of new solutions.
- 8) Rigid first-world norms and standards inhibit innovation in informal settlements upgrading. Greater innovation and flexibility is required in terms of the norms and standards related to planning, servicing and buildings (e.g. regarding incremental development zones, partially pedestrianized access, shared services and alternative housing typologies).
- 9) The costs associated with the ongoing operating and maintenance of incremental services are high and solutions to this need to be found.
- 10) Existing settlements are in many cases becoming more dense, in some cases expanding in extent, and there are instances where fresh land invasions are still occurring, often on sites intended for other purposes or unsuitable for permanent human settlement

4.2. Analysis and policy implications

Policy-level Problem	Policy responses required
<p>1) <u>Coordination and capacity</u>: Informal settlements upgrading processes occur in ‘silos’ and making it difficult to optimally achieve the objective of building more sustainable human settlements (especially in relation to the planning and provision of essential services). Mechanisms to effectively coordinate informal settlements upgrading across various clusters and Units are inadequate, thus making it difficult to coordinate and optimize the allocation and use of scarce resources (including funding, human resources and external stakeholders). There is insufficient capacity available for various upgrading functions relative to the scale of settlements and need.</p>	<ul style="list-style-type: none"> i. Secure Council approval of this Strategy and related commitment to making incremental upgrading a municipal strategic priority. ii. Secure related buyin from all relevant DCMs and responsible eThekweni line departments including assignment of mandated representatives. iii. Strengthen Informal Settlement Incremental Upgrading Forum (ISIUF) in terms of: A) participation from key line departments and accountability on decisions taken and in line with the adopted ISIUF Terms of Reference so as to resolve strategic and operational barriers more effectively; B) budget coordination and pipeline planning; C) data sharing including on services delivered. iv. Establish transversal UISP budget coordination as a key ISUIF function. v. Establish/strengthen communication channels to the provincial and national spheres of government on key upgrading issues (such as those outlined hereunder). vi. Establish/strengthen capacity for planning and implementing upgrading projects including related social facilitation.
<p>2) <u>Budget</u>: In addition to weak integration and coordination of budgets across line departments, there are also significant budget constraints, making more effective</p>	<ul style="list-style-type: none"> i. Ensure sufficient budget is allocated to incremental upgrading from all relevant sources (including from the

<p>prioritization and planning essential. The rate of expenditure is also a problem (often budget is not spent in the assigned financial year) and there are areas where greater cost-efficiency is necessary. Incremental upgrading must be seen as the top Human Settlements budget priority, but funding needs to be utilized more rapidly and effectively, including ensuring that basic services are delivered to a better standard and in a more integrated fashion and that delivery is more programmatic and at scale.</p>	<p>USDG and HSDG) and where necessary engage with provincial/national government in this regard.</p> <ul style="list-style-type: none"> ii. Adopt and implement a clear basis for the prioritization of incremental upgrading and essential services provision as outlined in this Strategy. iii. Ensure better integrated UISP incremental upgrading pipeline budgeting and related inter-departments budget coordination. iv. Ensure budget is more rapidly and efficiently utilized. v. Address challenges relating to procurement (see 4.4 below).
<p>3) <u>Grant instruments</u>: There are challenges with the new ISUPG which is currently the primary incremental upgrading grant. It is a schedule 5 grant with many restrictive grant conditions (i.e. more project as opposed to programme orientated) and it is still in some respects premised on formalization rather than incrementalism. This is in contrast to the previous USDG which was schedule 4 and more flexible.</p>	<ul style="list-style-type: none"> i. Engage with NDHS/NT regarding: relaxation/amendment of certain ISUPG grant conditions or outputs (e.g. individual services connections, up-front land acquisition, individual tenure, livelihoods plans); need for programmatic budgeting and the reallocation of budget between projects or away from non-performing ‘blocked’ projects; provision of sufficient lead-in time and budget for preparing upgrading projects (both social and technical work); requirement for social compacts too early and for all upgrading responses including emergency service provision. Also refer to 4.7 regarding increased allocations for operating and maintenance.
<p>4) <u>Procurement</u>: Slow and cumbersome procurement processes hamper efficient budget utilization and service delivery. There are currently no programmatic and integrated procurement arrangements for incremental upgrading. Current framework contracts are separate and per service unit making it difficult to design and deliver</p>	<ul style="list-style-type: none"> ii. Put in place procurement arrangements for the integrated design and construction of incremental services, especially for best-located category B1 settlements where the delivery of an integrated ‘services frame’ within the settlements is necessary to improve services access and establish a more functional urban form for the future.

<p>integrated services. There is also limited flexibility to make budget adjustments and/or to move budget away from non-performing/blocked projects to others and/or to assign budget for interventions that service multiple projects.</p>	<p>iii. Establish procurement arrangements which permit sufficient flexibility in such areas as: budget adjustments including reallocation of budget between projects or away from non-performing ‘blocked’ projects; interventions which span multiple settlements.</p>
<p>5) <u>Private land</u>: The municipality is continuously obligated to provide basic services for residents of informal settlements whether they are on public or private land, it being noted that 41% of settlements are on private land. Although the municipality is making good progress in developing improved processes to deal with this, more work is required to enable effective implementation of new solutions.</p>	<p>i. Finalise updated notices to landowners as informed by legal opinions. ii. Expedite statutory bylaw to protect municipal services. iii. Establish land acquisition programme which will run in parallel with the incremental upgrading programme as a parallel process. iv. Implement other incremental planning actions as per 4.6 below.</p>
<p>6) <u>Rigid norms and standards</u>: Rigid first-world norms and standards inhibit innovation in informal settlements upgrading. Greater innovation and flexibility is required in terms of the norms and standards related to planning, servicing and buildings (e.g. regarding incremental development zones, partially pedestrianized access, shared services and alternative housing typologies). Good progress is being made in developing incremental planning protocols and standard operating procedures in order to operationalize SPLUMA and as informed by the above-mentioned legal advice relating to private land. Further work in this area is a priority.</p>	<p>i. Finalise, adopt and implement the “Standard Operating Procedures: Incremental Planning Arrangements for Informal Settlements in eThekweni Municipality” which establish the necessary processes and flexibilities, including those relating to categorization, spatial planning, land-use management, private land, tenure and land acquisition. ii. Engage with national sphere of government to share learning regarding the above, and to seek guidance and support regarding other related issues such as more flexible building norms and standards which can accommodate alternative housing typologies which are suitable to eThekweni’s steep slopes and which people can build for themselves.</p>

<p>7) <u>Operating and maintenance of services</u>: The costs associated with the ongoing operating and maintenance of incremental services are high and solutions to this need to be found.</p>	<ul style="list-style-type: none"> i. Strengthen social deliverables and partnership arrangements, including the use of social compacts, which unlock more responsible use of services by residents; ii. Seek increased payment for services from informal settlements (to the extent possible within the frameworks of free basic services e.g. paid rather than illegal electrical connections). iii. Explore more localized and outcome related O&M solutions such as Community-Based Maintenance (CBM); iv. Seek increased budget allocation from USDG and/or other grant sources for O&M. v. Shift to an asset life-cycle management approach which factors in the state of repair and maintenance and recapitalisation requirements relating to on-site and bulk services (especially regarding water and sanitation).
<p>8) <u>Future influx and settlement expansion</u>: Existing settlements are in many cases becoming more dense, in some cases expanding in extent, and there are instances where fresh land invasions are still occurring, often on sites intended for other purposes or unsuitable for permanent human settlement.</p>	<ul style="list-style-type: none"> i. Through improved community engagement/social process, social compact arrangements and improved co-operation with the Land Invasion Unit, reduce further densification of existing settlements and protect adjacent unoccupied land. ii. Continue to actively protect vacant land parcels in co-operation with communities and landowners. iii. Engage with the Provincial and National Sphere of government to find ways to overcome some of the legal barriers (arising from precedent and legal judgements against the Municipality) that make it difficult for the Municipality to protect vacant land once it has been invaded.

	<ul style="list-style-type: none"> iv. Assess the viability of the release of serviced land, in line with recent policy directives from the National Minister of Human Settlements. This needs to be subject to further assessments and the establishment of a clear framework for how such a programme would be structured and managed. Risks to be considered and mitigated include: newly serviced land being prematurely invaded or stimulating increased urban influx; the severe constraint of suitably located land in the Municipality; the high cost of acquiring and servicing land; implications of low density development on the urban form. v. Establish a land acquisition programme, not only for in-situ upgrades, but also potentially for vacant land for relocation areas of various types (e.g. greenfields project, TRA, serviced land release).
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5. OPTIMISED INCREMENTAL UPGRADING APPROACH

5.1. Overview

eThekwini will prioritise incremental, in-situ upgrading as its primary developmental response for informal settlements, in line with the national Upgrading of Informal Settlements Programme (UISP) and in line with local and international good practice. This will be regarded as a strategic priority initiative within the Municipality. The approach adopted going forward will be optimised and enhanced in various ways as outlined in the subsequent sub-sections in order to overcome various constraints and barriers, to enable a scaled up ‘city-wide’ approach and to ensure the optimal utilization of limited resources.

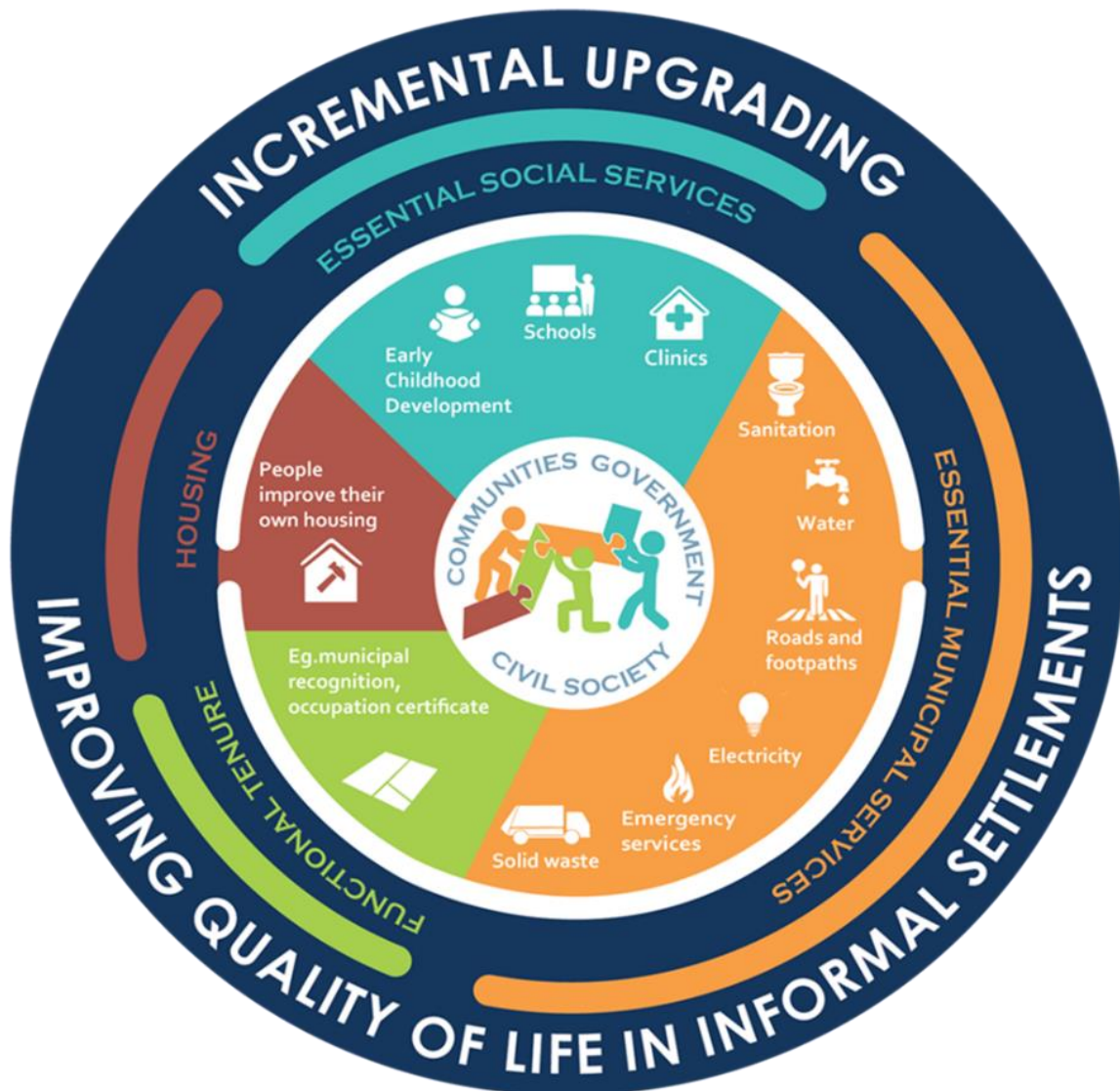
The overall approach, in line with the UISP and guidelines of the National Upgrading Support Programme (NUSP), will be:

- **Incremental:** improving the services and quality of services within informal settlements over time in an incremental and planned fashion.
- **In-situ:** wherever possible upgrading informal settlements where they are and only relocating settlements as a last resort.
- **Programmatic (city-wide):** including all informal settlements with a range of different and appropriate responses as guided by their Categorisation.
- **Partnership-based:** prioritizing partnerships with communities, upgrading support organisations, and other spheres of government in order to address the scale and complexity of challenges and expand available capacity and resources.

The optimised incremental upgrading programme in the Municipality will in future be referred to as the ‘Incremental Upgrading of Informal Settlements Programme (IUISP) in order to differentiate it from formal housing delivery programme which also forms part of the national UISP in as far as it provides for informal settlements (either through in-situ upgrading or alternative formal housing opportunities on greenfields sites). By contrast, the IUISP will provide mainly improved services and improved (functional) tenure security.

In order to achieve this optimized approach, the approach outlined in the ‘Standard Operating Procedures: Incremental Planning Arrangements for Informal Settlements in eThekwini Municipality’ (**Annexure A**) will be utilized. Importantly, this approach also operationalises the prescripts and requirements of the Spatial Land Use Management Act (SPLUMA) as it relates to informal settlements and informal settlement upgrading. Amongst other things, these protocols deal with the approach in relation to: planning (spatial and land use planning as informed by Categorisation); municipal services to be provided; private land including notices to landowners and statutory servitudes; land acquisition and tenure security; social compacts.

The overall incremental upgrading approach, with priority on the provision of a full range of basic essential services and functional tenure security, can best be communicated via the infographic below.



OPTIMISED UPGRADING APPROACH (PHASE 1): During phase 1 of the optimized incremental upgrading programme, the objectives are to provide improved services to all settlements whilst at the same time starting to address spatial transformation, asset building and the initiation of incremental planning and tenure arrangements. In general, state-funded housing will not be provided and people will be expected to invest in their own housing improvements. The following differentiated pipeline approach will be utilised as the primary strategic framework.

1. Best-located category B1 settlements (in-situ upgrades within PIC and urban zones) – 31% of all households.

- vii. Strategic objectives: These settlements should be afforded a high strategic priority given their locational importance. The objective is to rework space, optimise services and enable or incentivise residents to invest in and improve their own housing over time. The strategy is not only to address services deficits but to achieve spatial transformation, land value capture and asset building over time (principally via carefully-focussed and appropriate government and private sector (residents) investments). The costs of this approach will typically be higher than for general B1 settlements, and the process slower, but the locational value of the land more than justifies a more qualitative and integrated incremental upgrading approach, noting that this approach also establishes a better platform for residents to improve their own housing over time and for incremental planning and tenure solutions to be implemented in the future.
- viii. Services: A comprehensive package of essential services should be provided. It is accepted that, due the high densities in these settlements, a partially pedestrianised layout will typically be necessary and that, at least initially, certain services may only be possible along the main service alignments in the settlement (known as the ‘services frame’ approach). Typical services provided should include: footpaths and related storm-water controls and some roads where space permits; communal ablutions; standpipe wash facilities; fire hydrants; electricity; solid waste bins and containment areas. It is also accepted that some reworking of space (or partial ‘re-blocking’) will typically be required in order to open up the space necessary for service access ways. The planning, design, and delivery of services will typically need to be in an integrated and simultaneous fashion requiring effective coordination between line departments. Wherever possible services should be designed so that they are permanent, durable and part of a long-term permanent solution. The establishment of a services frame creates the potential for individual service connections in the future as a future phase of consolidation.
- ix. Relocations: Relocations should be limited to those households who have to be moved to make way for the services frame. Some realignment of households within the settlement might also be possible. If additional land is required, then this should wherever possible, be adjacent or near to the settlement in order to minimise livelihoods disruptions. The use of alternative double story housing typologies should also be considered (see ‘housing’ below). Some relocations may also be required where there are households at severe risk (refer to dedicated pipeline category).

- x. Land use planning: Incremental planning arrangements should be established as soon as possible (initially IDA1 and transitioning to IDA2 once the municipality has acquired the land and sufficient planning and incremental servicing has occurred).
- xi. Tenure: Tenure security will initially be via administrative recognition. Consideration should be given to incremental individual tenure (e.g. municipal occupation or tenure certificate) once IDA2 has been established and subject to municipal capacity and tenure management systems being established.
- xii. Housing: People will need to be encouraged to improve their own housing. A requirement to build improved housing should preferably be linked to the award of any individual form of tenure security (e.g. a municipal tenure certificate).

2. **General category B1 settlements** (in situ upgrades outside PIC and urban zones) – 48% of all households.

- i. Strategic objectives: The main objective is to improve quality of life and services access within these settlements and mitigate health and safety threats. Even though these settlements are not as well located as the previous category, it is accepted that, in provincial context, they are still well located compared to many rural settlements. Wherever possible, a comprehensive package of essential services should be provided.
- ii. Services: Priority services should include: communal ablutions; standpipe wash facilities; fire hydrants; electricity; and solid waste bins and containment areas. When resources permit or improved access is critical, footpaths and related storm-water controls and some roads may also be considered. Where possible, roads and footpaths should be established before settlement densities make it impossible to establish services access ways within the settlement. The road access and public transport efficiency within specific areas or precincts may need to be considered in order to enable a more efficient future urban form and as such these may require some master planning at precinct-level. Wherever possible services should be designed so that they are permanent, durable and part of a long-term permanent solution. Services which are most critical should be provided first and services may therefore not always be provided in an integrated/simultaneous fashion due to fiscal, land and other constraints. Typically, settlements with the biggest deficit of a particular service (e.g. electricity or communal ablutions) would receive the highest priority for the provision of that particular service, all other things being equal.
- iii. Relocations: Relocations should be avoided except where there are households at severe risk (refer to dedicated pipeline category below).
- iv. Planning: IDA1 should be established for all settlements. Transition to IDA2 can be considered in future when the required preconditions and arrangements are in place.
- v. Tenure: Initially administrative recognition but potentially transitioning to incremental individual tenure once land has been acquired and other arrangements are in place.
- vi. Housing: As for best-located B1 settlements. Residents should be encouraged to improve their own housing.

3. **B2 settlement (deferred relocations)** – 11% of all households.

- i. Strategic objectives: The main objective is to mitigate health and safety threats and provide a basic level of temporary service in order to address imminent health and safety threats. Given that the relocation is deferred, and the urgency of it may vary significantly across B2 settlements, consideration should be given to distinguishing near-term relocation (e.g. within the next three years) and those which are longer term (e.g. B2S vs B2L). This may assist in guiding the nature of servicing which may be appropriate.
- ii. Services: Priority services should include: communal ablutions; standpipe wash facilities; fire hydrants; and solid waste bins and containment areas. The delivery of these services will typically not be provided in an integrated/simultaneous fashion. The focus will be on first addressing those services deficits which are most severe and critical. The level of servicing should be at a minimal level given the temporary nature of the services and the intention to eventually relocate the settlement. A lower level of service and cost structure may be appropriate relative to B1 settlements (e.g. in terms of toilet to household ratio). Typically, settlements with the biggest deficit of a particular service (e.g. communal ablutions) would receive the highest priority for the provision of that particular service, all other things being equal. Electricity may also be considered depending on the relocation delay and extent of the threat posed by the use of other forms of energy (e.g. paraffin) or of illegal electrical connections. Roads and footpaths would generally not be appropriate.
- iii. Relocations: The settlement (or affected portion) is due to be relocated. The general principles relating to relocation as outlined previously should be adhered to as far as possible.
- iv. Planning: If there will be a significant delay in the relocation (e.g. more than three years) then TDA land use area should be established.
- v. Tenure: Administrative recognition as a temporary settlement only. No form of individual tenure security is appropriate given the temporary nature of the settlement.
- vi. Housing: No housing will be provided on the site given the temporary nature of the settlement. Consideration should however be given to the most appropriate solution on the relocation site (e.g. conventional housing vs alternative typology vs service land release with occupants providing their own housing).

4. Category C settlements (imminent relocations) – 4% of all households (although further analysis of these areas is required).

- i. Strategic objectives: The objective is to rapidly relocate the settlement. If there will be a significant delay in achieving this, then the settlement should be re-categorised as a B2 (deferred relocation).
- ii. Services: Given that the relocation is imminent, little or no service provision will be appropriate. In the event that the relocation is deferred for a period longer than a year or two (i.e. a relocations solution is not yet available), then the settlement should be re-categorised as B2.

- iii. Relocations: The settlement (or affected portion) is due to be relocated. The general principles relating to relocation as outlined previously should be adhered to as far as possible.
- iv. Planning arrangements: Not applicable given that the settlement (or portion thereof) is about to be relocated.
- v. Tenure: Not applicable given that the settlement (or portion thereof) is about to be relocated.
- vi. Housing: No housing will be provided. Residents may opt to improve their housing, but should be advised that such improvements may be abortive given the intention to eventually relocate the settlement.

5. Households at severe risk – an undetermined number of households (further assessment and analysis required).

- i. Strategic objectives: Responses in this category should receive a high priority given that lives may be at risk. Once identified, responses mitigating or addressing specific risks (e.g. severe flooding, fire, profound slope instability, proximity railway lines) should expedited. Responses will need to be tailored to the specific risks and may be cross-cutting (benefiting many vulnerable areas e.g. in respect of optimised fire response for high density areas). There may be households at severe risk across any category of settlements (B1, B2 or C) given that threats will often be confined to specific portions of settlements (e.g. river banks or railway line reserve). All households at severe and imminent risk of loss of life in the City should be identified as quickly as possible and emergency mitigation strategies determined which may include immediate relocation or other mitigations e.g. flood attenuation measure, early flood warning / response, improved fire response. These extreme risks would normally affect only portions of certain settlements and it is expected that the total number of households affected will be relatively small (with the exception of fire risks which should be regarded as a special case and will require a dedicated response). Further analysis is required in order to identify these most-at risk households and some of this work is already underway in terms of flood delineation work. A special pipeline for fire protection responses should be established within this pipeline, especially for very dense, fire-prone settlements and may include improved infrastructure such as fire hydrants, enhanced local fire response plans and household education for improved prevention. This category of pipeline response would exclude those households who face general vulnerabilities arising from other services deficits (such as sanitation or electricity). These are dealt with through the other pipeline categories outlined below.
- ii. Services: As appropriate – see above.
- iii. Relocations: As appropriate – see above.
- iv. Planning arrangements: Not applicable.
- v. Tenure: Not applicable to this category of response.
- vi. Housing: Not applicable to this category of response.

5.2. Planning approach

The incremental planning approach contained in the “Standard Operating Procedures: Incremental Planning Arrangements for Informal Settlements in eThekweni Municipality” will be utilized (as per **Annexure A**). It is accepted that, for most incremental upgrades, formal planning approvals and township establishment are not immediately or rapidly achievable, and that accordingly a range of incremental planning arrangements are necessary in order to include settlements into the municipality’s planning framework, as per the prescripts of SPLUMA. Key elements of this approach include:

- *Categorisation:* Categorization is the primary means of determining an informal settlement’s developmental and planning trajectory as per the national categorization framework which has also been adopted by eThekweni Municipality [A = full conventional upgrade / formal housing project; B1 = incremental in-situ upgrade with incremental services; B2 = deferred relocation with emergency basic services; C = imminent relocation].
- *Spatial planning:* All settlements will be designated/assigned in the Municipality’s Spatial Development Framework (SDF) along with any related land use categories or future incremental zoning.
- *Land use planning:* The land use planning approach for each category of settlement, outlined in **Annexure A**, will be utilised. This land use approach covers the following for each informal settlement category: planning arrangements, essential municipal services, land, tenure, buildings and essential social services.– including social compacts as basis for upholding ‘rules’: In addition, the following land use categories will be established: Temporary Development Area (TDA) for all B2 settlements; Incremental Development Area level 1 (IDA1) as an initial category for all B1 settlements; IDA2 for B1 settlements once land has been acquired and detailed layouts have been established, which also establishes a platform for incremental forms of individual functional tenure. The main basis for upholding ‘rules’ relating to land use categories will be social process, constructive engagement and social compact arrangements (as opposed to legal enforcement).
- *Private land, landowner notices and statutory servitudes:* As informed by legal opinions, the Municipality will continue to provide basic/essential municipal infrastructural services for informal settlements on private land in B1 and B2 categories in advance of land acquisition subject to (amongst other things): The settlement’s categorisation having been reflected in the SDF; appropriate notices having been served on landowners; a land acquisition programme being at least in the process of establishment (with this programme to run in parallel with incremental upgrading and not in advance of it – see below); a

statutory servitude having been established (or in the process of establishment) to protect municipal services.

- *Land acquisition:* The Municipality must establish a land acquisition programme for informal settlement upgrading in terms of which it identifies all land currently occupied and required for settlement (i.e. categories A and B1) as well as any additional land required for decanting whether via formal green-fields housing or serviced land release or TRAs (the latter being regarded as a last resort). This land acquisition programme should run in parallel with incremental upgrading and the provision of essential/basic services. The budget requirements and timeframes for acquisition should be determined. The scale and rate of delivery of the programme will be subject to resource constraints and budget prioritization amongst other factors. It is accepted that the costs associated with such a programme will be substantial and the programme will take many years to complete
- *Tenure security:* Initially administrative recognition (non-individual functional tenure) will apply which confers freedom from arbitrary eviction and is related to the categorisation of the settlement. Consideration should be given to establishing locally-administered forms of individual, incremental tenure when and the necessary capacity and systems have been established for local administration. These may include a municipal certificate of occupation (and once incremental planning arrangements are in place and there is a GPS point for each structure/households) and/or a municipal tenure certificate (once land has additionally been acquired and there is a full layout with a demarcated site boundary for each occupied site). The development and implementation of these innovations will be subject to technical solutions, local capacity and funding.
- *Flexible development envelope:* It is accepted that many informal settlement sites, whilst not ideal in terms of such factors as slope and population density, are nonetheless appropriate for incremental upgrading (category B1), accepting that many such settlements are well-located, old and well-established, and that there is a lack of alternative, suitably-located land for relocations. Although some of these sites are significantly constrained, there may be the potential for certain constraints to be mitigated and/or managed and/or overcome. Subject to further technical studies, it is therefore accepted that a more flexible ‘developability envelope’ should be considered for such category B1 settlements along with an IDA1 or IDA2 land use designation (e.g. regarding development on steeper than normal slopes subject to appropriate engineering controls).
- *Social compacts.* Social compacts are important in the context of incremental upgrading in terms of supporting land use arrangements (e.g. levels of service, responsible use of services, payment for services, tenure etc.). This is because the Municipality is not in a position to enforce land use ‘rules’ in informal settlements in the same way as is possible in formally-developed areas. The use of social compacts is stipulated as national upgrading policy by the NDHS and NUSP and are now essential business plan requirements for UISP project pipelines and related HSDG or USDG budget allocations.

Social compacts are of particular importance in cases where comprehensive in-situ upgrading is intended and where incremental planning and tenure arrangements are envisaged in the short to medium term. It is however also accepted that social compacts might not always be viable in cases where limited basic or emergency services are being provided (e.g. provision of communal ablutions for category B2 settlements (deferred relocations). Further work will be required in order to determine how the issue of social compacts is best addressed within the particular context of the eThekweni Municipality.

The national categorisation framework for informal settlements (as contained below) is key in establishing the broad planning and upgrading process for informal settlements and this adopted by the municipality as the primary overarching planning framework.

1) FULL CONVENTIONAL UPGRADE (*category 'A'*):

- a. *Developmental pathway:* Rapid formalisation consisting of full services, formal housing and formal tenure (e.g. title deeds), requiring prior land acquisition and formal town planning and environmental approvals.
- b. *Rationale:* 1) **Site is viable** (developable) and appropriate for purposes of formalisation AND 2) **full upgrade project is implementation-ready** (full upgrading can commence rapidly - land secured, feasibilities complete, plans approved etc.) AND 3) formalisation is appropriate and will not result in significant adverse consequences (e.g. significant partial relocations or other livelihood impacts).

2) INCREMENTAL UPGRADE WITH ESSENTIAL SERVICES (*category 'B1'*):

- a. *Developmental pathway:* Provision of essential services^[1] and other incremental upgrading arrangements leading over time either to eventual formalisation or other permanent 'less formal' settlement solutions.
- b. *Rationale:* 1) **Site is viable** and appropriate for purposes of permanent settlement AND 2) project is **NOT implementation-ready for formalisation** (there will be delays due to such factors as land acquisition, de-densification or bulk services provision).

3) DEFERRED RELOCATION WITH EMERGENCY SERVICES (*category 'B2'*):

- a. *Developmental pathway:* Provision of emergency basic services^[2] but **NOT** leading to eventual formalisation – more likely leading to eventual relocation (when and if a suitable relocation site is obtained and developed).
- b. *Rationale:* 1) **Site is NOT viable** or appropriate for purposes of formalisation or permanent settlement **BUT** 2) there is **NO urgent need for relocation** (absence of serious health and safety threats^[3] which cannot be mitigated in the short-term through basic services provision).

4) IMMEDIATE RELOCATION (*category 'C'*):

^[1] Such essential services (also known as 'interim services') will usually consist of improved road and footpath access, standpipes, and some form of improved sanitation (e.g. VIPs or communal sanitation blocks), electricity, fire protection and solid waste removal. In addition, key social services (schools, ECD and primary health care) should also receive attention. Sufficient preliminary planning is desirable to maximise the extent to which interim services can be incorporated into the final settlement solution.

^[2] Such 'emergency services' may be at a similar or at a lesser level to category B2 interim services. Because the settlement will eventually be relocated, it is not essential to undertake preliminary planning work (although it may in some cases be beneficial). The purpose 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.

^[3] E.g. serious flooding, slope instability, and toxic waste exposure.

- a. *Developmental pathway*: Rapid relocation is imminent to a site which is already available or is almost ready (site & service or greenfields housing or temporary relocation area).
- b. *Rationale*: 1) **Site is NOT viable or appropriate** for purposes of permanent settlement or formalisation 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 ready and available** or this is imminent.

5.3. Planning processes

eThekwini Human Settlements (EHS) should take the lead in planning the incremental upgrading of informal settlements in close collaboration with key line Departments including those dealing with Planning, Engineering Services (Electricity, Water, Sanitation, Roads etc.), Solid Waste, Fire, Environment and others. The roles of various departments are outlined in more detail in section 4. Once this Strategy is adopted, further work will be required involving the key line departments in order to ensure there is optimal coordination in respect of planning, budgeting, procurement, implementation and operating and maintenance.

Planning process	Responsibilities – Lead (and support)
1) <i>Categorisation</i> of all informal settlements and designation/assignment in SDF (refer to 0 and Annexure A)	EHS (inputs/review by Planning, Engineering Services Units, Environment)
2) <i>Pipeline settlement prioritisation</i> (differentiated pipeline as per appropriate upgrading responses). A refined prioritisation system and related criteria is necessary in order to ensure the most effective and rational allocation of scarce resources across different upgrading categories. Refer to section E for details	EHS (inputs/review by Planning, Engineering Services Units, Environment)
3) <i>Pipeline budget prioritisation</i> : Based on the above, and taking into account the available budget from various grants and the indicative budget requirements (pre-upgrading plans) for prioritised settlements, a shortlist of settlements for the next year and next MTEF period need to be identified. These will typically appear on the UISP Business Plan Budget for USDG and potentially also on the HSDG business plan where applicable. It is noted that, at the point where a project is first put onto the budget, full upgrading plans, preparation and design work will typically not yet be in place, noting that grant funding is required in order to achieve this work and also noting the risks in	EHS (inputs/review by Planning, Engineering Services Units)

<p>proceeding with participative work unless there will be funding available for project implementation.</p>	
<p>4) <i>Preparation /Upgrading plans/Design</i>: The extent and type of preparatory work will vary between settlements and the type of upgrading response. In the case of many emergency basic services it may be unviable to develop a full upgrading plan and any technical and design work will typically be minimal and the lead-in time will be minimal. By contrast, for a full incremental upgrading project, a much longer lead in time of approximately a year will typically be required in order to undertake the required technical studies, community engagement, feasibility, participative planning and design work (these will include settlements requiring an integrated planning response and will consist mainly of B1 settlements. Such work will result in a more accurate cost estimate for the incremental services to be provided and the pipeline budget for that project will accordingly be updated at the mid-term budget review or year-end budget period.</p>	<p>EHS (inputs/review by Engineering Services Units, Environmental, Planning)</p>
<p>5) <i>Business plans/funding applications</i>: The business plan/application requirements will vary significantly across upgrading responses and funding sources (e.g. USDG vs HSDG). For emergency responses (e.g. temporary sanitation or flood mitigation) no business plans or funding applications may be required over and above categorisation and budget approval. For utilisation of USDG for preparation/design funding there will typically be minimal application requirements with a business plan only expected to be required once this work is completed. Further clarity is however sought from the NHDS/NT in this regard (as outlined in sections 4 and 5.11. HSDG typically requires a business plan and/or subsidy application.</p>	<p>EHS in collaboration with responsible line departments.</p>
<p>6) <i>ISIUF monthly meetings</i> to monitor, guide and resolve problems(refer to 5.15)</p>	<p>EHS (participation by all departments specified in ISIUF TOR)</p>

5.4. Budgeting, prioritisation and pipeline planning

More effective budgeting and pipeline planning, and the related coordination which is required, is a critical success factor. It is also an area where improved performance and coordination is required. The coordination of all UISP upgrading budget (regardless of grant source e.g. USDG, ISUPG,

HSDG) should be coordinated by EHS in close consultation with various implementing line departments via the ISIUF as outlined above (and including amongst others Development Engineering, Water and Sanitation, Electricity, Cleansing and Solid Waste, and Fire Protection Services). The process for pipeline planning is also outlined above as well as in 5.5 below.

An optimized approach is necessary in order to ensure more effective and rational allocation of scarce resources. Historically, the main focus was on eliminating or reducing services deficits. The approach was conceptualised as ‘interim’ on the assumption that formal housing or formalisation would be the eventual solution. Services were therefore mainly provided in a temporary, reactive and non-integrated fashion. There was limited reworking of space and limited consideration of long term strategic objectives such as spatial transformation or land value capture. It is now accepted that incremental, in-situ upgrading is the primary upgrading approach and that a more strategic and longer term view needs to be taken when providing incremental services. As far as possible, services need to support longer term transformation and wherever possible form part of permanent or semi-permanent solutions rather than being merely interim or temporary in nature. Services need to offer an optimal return on investment and need to be as durable and low maintenance as possible. In planning upgrading pipelines, the costs associated with operating and maintenance and replacement and/or refurbishing of assets need to be taken into consideration as well as the availability of bulk services and indirect costs associated with any bulk service upgrades or refurbishments.

It is emphasised that, for the delivery of more integrated services, there needs to be sufficient lead-in time (typically at least a year) in order to undertake participative planning, technical studies, engineering design, compile upgrading plans and social compacts. Funding also needs to be allocated to undertake this important up-front work. This means that such projects need to first be allocated onto budgets (e.g. the USDG pipeline budget) for such preparation funding with only indicate budget provisions for the forthcoming MTEF years. As indicated the requirement for and extent of such preparation work will be largely determined by the type of upgrading response as outlined above as well as in the sections relating prioritisation (E) and to engineering services (section 5.5).

A. Differentiated pipeline planning

The upgrading approach needs to be appropriate to the type (category) of settlement. Settlements should therefore be differentiated into the following main pipeline categories, as per the national categorisation framework, but with some additional differentiated for best-located B1 settlements in order to support much-needed spatial change, land-value-capture and long-term asset-building:

- i. Best-located category B1 settlements (in-situ upgrades within PIC and urban zones) – 31% of all households.**

These settlements should be afforded a high strategic priority given their locational importance. The objective should be to rework space, optimise services and enable or

incentivise residents to invest in and improve their own housing over time. A comprehensive package of essential services should be provided (e.g. footpaths, fire hydrants, communal ablutions, standpipe wash facilities and storm-water controls, solid waste bins and containment areas). It is accepted that most best-located B1 settlements are densely-populated and that reworking or space (or partial 're-blocking') will often be required in order to open up space for service access ways. This may include the provision of a services frames within settlements and the establishment of incremental planning and tenure arrangements. Limited relocations may be required to achieve this strategic objective. The planning, design, and delivery of services will typically need to be in an integrated fashion requiring effective coordination between line departments. The strategic objective is not only to address services deficits but to achieve spatial transformation, land value capture and asset building. The costs of this approach may be higher than for other incremental upgrades, and the process slower, but the locational value of the land will typically justify this more qualitative and integrated incremental upgrading approach, which also establishes a platform for residents to improve their own housing over time and for incremental planning and tenure solutions to be implemented in the future.

ii. General category B1 settlements (in situ upgrades outside PIC and urban zones) – 48% of all households.

The focus should be on the provision of a comprehensive package of essential services. Wherever possible services should be designed so that they are permanent, durable and part of a long-term permanent solution. The delivery of these services will typically be provided in a conventional fashion (i.e. via separate line departments), although effective transversal coordination will nonetheless be required. The focus will be on first addressing those services deficits which are most severe and critical. Typically, settlements with the biggest deficit of a particular service (e.g. electricity or communal ablutions) would receive the highest priority for the provision of that particular service, all other things being equal. Where possible, roads and footpaths should be established before settlement densities make it impossible to establish services access ways within the settlement. The road access and public transport efficiency within specific areas or precincts may need to be considered in order to enable a more efficient future urban form and as such these may require some master planning at precinct-level.

iii. B2 settlement (deferred relocations) – 11% of all households.

The focus should be a basic/emergency package of essential services and addressing imminent health and safety threats. The delivery of these services will typically be provided in a conventional fashion (i.e. via separate line departments). The focus will be on first addressing those services deficits which are most severe and critical. The level of servicing should be at a minimal level given the temporary nature of the services and the intention to eventually relocate the settlement. A lower level of service

and cost structure may be appropriate relative to B1 settlements (e.g. in terms of toilet to household ratio or in terms of road and footpath access).

iv. Category C settlements (imminent relocations) – 4% of all households (although further analysis of these areas is required).

Given that the relocation is imminent, little or no service provision will be appropriate. In the event that the relocation is deferred for a period longer than a year or two (i.e. a relocations solution is not yet available), then the settlement should be re-categorised as B2. If necessary, the B2 category should be split between short and long- term deferred relocations (e.g. B2S and B2L).

v. Households at severe risk – an undetermined number of households (further assessment and analysis required).

Responses in this category should receive a high priority given that lives may be at risk. Once identified, responses mitigating or addressing specific risks (e.g. severe flooding, fire, profound slope instability, proximity railway lines) should expedited. Responses will need to be tailored to the specific risks and may be cross-cutting (benefiting many vulnerable areas e.g. in respect of optimised fire response for high density areas). This type of response may apply to any category of settlements (B1, B2 or C). All households at severe and imminent risk of loss of life in the City should be identified without delay and emergency mitigation strategies determined which may include immediate relocation or other mitigations e.g. flood attenuation measures or early flood warning / response. These extreme risks would normally affect only portions of certain settlements and it is expected that the total number of households affected will be relatively small (with the exception of fire risks which should be regarded as a special case and will require a dedicated response). Further analysis is required in order to identify these most-at risk households and some of this work is already underway in terms of flood delineation work. A special pipeline for fire protection responses should be established within this pipeline, especially for very dense, fire-prone settlements and may include improved infrastructure such as fire hydrants, enhanced local fire response plans and household education for improved prevention. This category of pipeline response would exclude those households who face general vulnerabilities arising from other services deficits (such as sanitation or electricity). These are dealt with through the other pipeline categories outlined below.

	No. of settlements	No. of households	% of Settlements	% by households
Best-located B1 settlements	202	97 113	35%	31%
General B1 settlements	150	149 235	26%	48%
B2 settlements	135,5	33 009	23%	11%
Category C settlements	34,5	10 954	6%	4%

Total incremental upgrades	522	290 311		
Category A conventional housing	56	22 131	10%	7%
Total informal settlement pipeline	578	312 442	100%	100%
Work in progress (Not yet categorised)	9	299		
TOTAL	587	312 741		

B. Overall optimised approach and ‘theory of change’

In the light of the above and in order to develop an optimised, more viable and more sustainable pipeline of upgrading projects and interventions, the following process (or logical flow) should be therefore followed. It is emphasised the implications of a particular approach or set of approaches need to be understood for the entire pipeline of upgrading projects (i.e. short term approaches need to be informed by an understanding of the longer term implications and the scale-ability of particular responses including in respect of the capital and operating costs, and the bulk services and sustainability implications). The working teams assigned to develop the optimised pipeline should undertake their work according to this broad process:

1. **Quantify informal settlement ‘backlogs’ and ‘needs’ / services deficits** – this will include the collection and maintenance of data relating to the status quo of informal settlements (e.g. settlement boundaries and number of households), services provided and their state of repair, and any specific vulnerabilities or threats which pertain.
2. **Determine resource availability** to respond including capital and operating budget. There needs to be particular attention to the operating and maintenance costs and related asset lifecycle costs of services provided based on their expected life-span, it being noted that O&M costs constitute a severe risk and constraint in scaling up. Issues of bulk services availability also need to be factored in.
3. **Determine current capital and operating costs** of service provision including costs of re-capitalising or refurbishing assets.
4. **Model different servicing options** across a differentiated pipeline of responses and consider the implications. This should include different per-household ratios for shared services as well as different ‘modes’ of servicing with different associated capital, lifespan and operating costs.

5. **Choose the optimal strategic options and develop a pipeline plan.** This would be a differentiated pipeline plan for all informal settlements in the City ('city-wide plan') based on defined levels of service and realistic capital, operating and asset-life cost assumptions.
6. **Budget, innovate, implement and review.** Once an optimised pipeline approach is instituted it may necessitate some level of innovation (e.g. regarding modes of services and the operating and maintenance thereof) and the performance of the optimised approaches will need to be reviewed regularly against stated objectives and changes made where necessary.

C. Principles for pipeline budgeting and overall budget apportionment

Budgeting needs to be informed by the overall approach adopted. Available budget should first be apportioned across different categories of settlement within the differentiated pipeline. The basis for making this apportionment should be principally on: a) the number/scale of under-serviced households; b) the associated relative per-household cost of responding appropriately within each pipeline. For example, the cost of responding appropriately for best-located B1 settlements in an integrated fashion and involving some reworking of space and partial relocations to establish a services frame, costs more per household than the more basic servicing response for general B1 and B2 informal settlements and thus more budget needs be allocated per household with a greater per-household budget weighting.

D. Prioritisation of settlements within differentiated pipelines

Once budget has been allocated to each category of settlement, settlements should be prioritised within each category based on criteria which are appropriate to the specific category as outlined in the subsequent section.

- a) **Prioritisation for best-located B1 pipeline:** Settlements should generally and where possible be prioritised for integrated/optimised services delivery (e.g. services frame with partial relocations) for reasons previously noted. The basis for prioritisation should be on the basis of: services deficit, size of settlement and age of settlement. Location is not a prioritisation factor since all of these settlements are well located.
- b) **Prioritisation for general B1 pipeline:** Settlements should generally be prioritised in terms of each specific services deficit they are experiencing (e.g. sanitation, electricity, RFP, and SW) and the most pressing service deficits should be addressed first. In general, this would mean conventional incremental services delivery (separately by each line department). Prioritisation for each service type would be on the basis of: the extent of the services deficit, the age of the settlement and the location of the settlement. The principle

is the prioritise mainly on the basis of addressing service delivery backlogs with a moderating influence of settlement size, age and location.

- c) **Prioritisation for B2 pipeline (deferred relocations):** The basis for prioritisation will be similar to that for general B1 settlements. It is however noted that the level of service and associated costs might not be identical (e.g. a lower level of sanitation or RFP investment may be deemed appropriate) given that eventual relocation is intended. Services are therefore temporary.
- d) **Prioritisation for C pipeline (imminent relocations):** Settlements should be prioritised on the basis of services deficit, settlement size, and settlement age. However, it is emphasised that further assessment of land parcels and affected households in this category is required because: a) there are more than 10,954 households and 35 settlements in this category; b) there is a high cost per household of responding to households in this category (at least R125k for an improved 'TRA' or serviced land release solution); c) the relocations are meant to be imminent based on there being imminent and serious health and safety threats to households. Such an assessment will result in those households being at severe risk being prioritised for a rapid relocation response the balance being re-assigned to the B2 category.

E. Prioritisation criteria

The above approach is informed by a range of well-established prioritisation criteria. The Municipality has already approved the following broad prioritisation criteria (as per Council Resolution of September 2019):

- i. *Vulnerability*: extent of health and safety threats, using net density as one of the means to apply this criterion.
- ii. *Services Deficit*: the various components of Incremental Services that are absent or lacking due to inefficient ratios/thresholds of household numbers relative to service points.
- iii. *Population Coverage*: the larger the settlement in terms of the number of households, the greater the efficiency of delivery and return on investment.
- iv. *Age of Settlement*: how long have people been waiting for services.
- v. *Community Readiness*: how stable the community and leadership are and their appetite to embrace the new, incremental approach.
- vi. *Location*: how well located the settlement is, noting the importance of addressing spatial inequality and inefficiencies and the constraints relating to over-extending the reach of the municipality's bulk infrastructure networks³.

³ I.e. In terms of various strategic plans and policy prescripts such as the Built Environment Performance Plan (BEPP), the Integrated Urban Development Framework (IUDF), Spatial Planning and Land Use Management Act (SPLUMA), the Spatial Development Framework (SDF). Noting also the need to address spatial inequality and inefficiencies is a high priority from National right down to

In addition to the six settlement-level criteria outlined above, the following broader strategic criteria have also been factored in:

- a) *Reducing and eliminating overall services deficits* in a manner which is as cost-effective and well-prioritised as possible with water, sanitation, electricity, and solid waste removal being some of the most pressing priorities.
- b) *Responding proactively to high risk situations* where there is a high risk of loss of life due to fire, flooding or other severe and imminent threats.
- c) *Spatial restructuring* of the City to make it more efficient, inclusive and sustainable e.g. making optimal use of limited, well-located available land and establishing a better urban form for the future.
- d) *Building assets and land value capture* e.g. by servicing well-located settlements and establishing incremental tenure and planning arrangements which unlock owner-driven housing improvements.

Regarding the criterion of ‘community readiness’, it is accepted that this is difficult to assess at a pipeline planning level and should rather be regarded as a ‘disqualifying’ or ‘modifying’ criterion i.e. where a settlement is known to be ‘unready’ (e.g. there is a high level of local contestations, conflicts, disputes or fragmentation) which renders it difficult or unviable to undertake services provision, then such settlements should be de-prioritised or moved further down the priority list until these issues of ‘readiness’ have been resolved.

F. Assumptions informing the optimised pipeline approach:

The following strategic considerations have informed the optimized pipeline planning and budgeting approach. It is accepted that the focus should be addressing the following key and mutually supportive focus areas:

- a) *achieving a minimum level of acceptable services* (communal ablutions, solid waste management, electricity connections, roads and footpaths, and fire controls) to all informal settlements whilst at the same time minimising relocations;
- b) *starting to address spatial issues* through optimised services and reworking of space in best-located B1 settlements;
- c) *initiating incremental planning and tenure arrangements* which improve tenure security, include settlements into municipal planning frameworks and which most importantly can unlock or incentivise people to invest in their own housing improvements rather than relying on government;
- d) *optimising the use of limited fiscal resources* for both capital and ongoing operating, maintenance and recapitalisation of assets (through better prioritised investment;

Local Government Taking direction from the BEPP’s Integration Zones, which is a concept to spatially deal with objectives of city-building, especially inclusiveness, efficiency, and connectivity, the Prime Investment Corridor (PIC) and the Urban Zone have been identified as areas to focus on without necessarily neglecting the needs to informal settlements in the remaining Zones.

- e) ***mitigating or removing threats*** to those households facing imminent and severe threats to safety;
- f) ***reducing environmental and other public harm*** and negative impacts to the general public including neighbouring (formal) communities.

Given the incremental servicing orientation of this Strategy and Programme Description, the following future responses have not yet been factored in. These should also be given consideration however as part of longer term responses and also given consideration in the next update to the Municipality's Housing Sector Plan.

- i. relocation of all B2 settlements;
- ii. provision of individual water and sewer connections to households;
- iii. formal town planning arrangements and formal tenure provision (title deeds);
- iv. provision of housing or direct housing support;
- v. managed land settlement.

Formal housing provision: It is assumed that a small pipeline of formal/conventional housing provision will be retained, but this will not be the principal means of addressing the informal settlement 'backlogs', noting that this is now accepted national policy. Rather the focus will be on providing housing for specific defined priority areas or groups. This will be articulated in due course more detail in the Municipality's updated Housing Sector Plan.

Managed land settlement: The issue of managed land settlement has also not been factored in to this Strategy and Programme Description given its incremental servicing focus. Further strategic consideration of this is necessary in order to determine what solutions are most appropriate for the Municipality in terms of providing for new settlements/sites and this should form part of future updates to the Municipality's Housing Sector Plan. It is accepted that new alternative settlements/sites may be required for the following purposes: a) small relocations on best-located B1 settlements in order to open up space for services (partial 're-blocking'); b) eventual relocation of category B2 settlements; c) future urban influx. The National Human Settlements Minister has proposed serviced land release which needs to be considered as one option (especially for future influx). Another option which is appropriate for the partial relocations required for best-located B1 settlements, is that of improved emergency relocation sites of the type being piloted on Parkington, Havelock and Ezimbelini settlement, where an alternative, lower cost housing typology is utilised with shared mini-communal-ablution facilities. This results in an overall development cost far lower than a conventional housing project, but with a product which is nonetheless safe, durable, potentially double-story and significantly better than informal (shack) housing. In contrast to historical TRAs, such settlements can be regarded as, or converted, to permanent settlement solutions (once the necessary incremental planning and tenure arrangements are in place).

5.5. Municipal services

The appropriate level of municipal services will be dictated mainly by the categorisation and upgrading plan for a particular settlement, but will also be subject to available resources including funding and municipal capacity and subject to other factors such as bulk services availability, site constraints and social preconditions. The prioritisation criteria and principles outlined in section E should also be taken into consideration, since these will impact the nature, extent and priority of services provided.

- *Category A:* Full suite of services as per the norm for low-income housing projects. In eThekweni this includes individual connections for water, sewerage, and electricity. A degree of pedestrianised access may be appropriate in some settlements.
- *Category B1:* In the incremental phase, comprehensive basic services should be provided, the extent of which will vary and some will typically be shared. Abortive costs should be minimised (i.e. wherever possible, infrastructure should be usable as part of the permanent services solution). Accordingly, wherever possible, services should be provided *inside* the settlement (as opposed to around the edges) using alignments of main access ways which are functional for the long term (especially for best-located B1 settlements). This establishes a more functional urban form for the future. Partial re-blocking may be necessary to open up the space for these service lanes (i.e. ‘services frame’). Typical services in the incremental phase include: shared water and sanitation (mainly via communal ablutions and standpipe wash facilities); road/footpath access often without road access to all households and with some informal footpaths remaining; related storm-water controls; electrical connections to those shacks not restricted due to being located within flood-lines, under power-lines etc.; public lighting; fire hose points and related municipal fire protection services; solid waste bins and collection points and related municipal disposal services.
- *Category B2:* Emergency basic services should be provided, the extent of which will vary and some will typically be shared. Abortive costs should be minimised and an appropriate balance should be achieved between mitigating risks and providing acceptable service access on the one hand, and the level of abortive investment on the other. The expected delay until relocation should also be factored in. Priority emergency services should include: shared water and sanitation (mainly via communal ablutions and standpipe wash facilities); solid waste bins and collection points and related municipal disposal services; fire hose points and related municipal fire protection; road/footpath access sufficient to afford emergency access. In addition, where there will be an extended delay until relocation, the following additional services may also be considered subject to an appropriate motivation, it being noted that the categorisation should at the same time also be reviewed (i.e. as to whether or not a category B1 should rather be assigned): road/footpath access but often without road access to all households and with some informal footpaths remaining; related storm-water controls; electrical connections to

shacks not restricted due to being located within flood-lines, under power-lines etc.; public lighting.

- *Category C*: Generally, not applicable due to the imminent relocation. Where there are delays with the relocation, certain temporary emergency services may be provided including: chemical toilets; Jo Jo tanks; solid waste collection; fire protection.

5.6. Housing

State-funded housing will generally not be provided under the Municipality's Incremental Upgrading of Informal Settlements Programme (IUISP). The Municipality already has a formal housing programme which provides this. It is however recognised that there are severe fiscal, land, bulk services and other constraints which limit the scale of formal housing provision. Within this context, the following exceptions should be provided for under the Programme:

- *Emergency relocations*: It is accepted that, in some instances, certain households may need to be relocated (e.g. to release sufficient space to introduce improved services within a B1 settlement). In such cases, it will typically be necessary for the municipality to provide alternative housing. Refer to section 5.7 below for details.
- *Alternative housing typologies*: It is accepted that conventional housing is unviable on certain steep and geotechnically challenging sites in the Municipality where solutions such as lightweight structures with micro-pile foundations may be appropriate. Double story housing solutions which optimise limited space may also be appropriate such as the LIFT or 'Indlu-lamithi' house developed and piloted via the iQhaza Lethu Programme. The Municipality may assist in exploring, testing and utilising such alternative housing typologies, both for use on relocation sites as well as for use by residents in communities as ways of residents building more optimally for themselves.
- *Housing support*: It is accepted that the Municipality will be unable to provide all residents of informal settlements with state-funded housing in the short to medium term. Supporting residents to build their own improved housing should therefore be explored. This may include providing information (e.g. housing designs, including those for alternative typologies) and some technical support to residents. It may extend to some form of improved materials access. It will also related to the planning and tenure interventions outlined in sections 0 and 5.9 since improved planning, services and tenure security is viewed as an important way of empowering and incentivising residents to invest in their own improved housing. This may be linked to the People's Housing Process (PHP) programme and collaborations with communities and civil society support organisations (refer also to section 5.15. Any such housing support responses will be subject to the availability of funding and other resources.

5.7. Relocation areas

As indicated previously, it is accepted that, in some instances, certain households may need to be relocated on an emergency or urgent basis and/or in the absence of there being space available on a formal, greenfields housing project. Relocations should always be regarded as a last resort, but in some instances may be necessary e.g. to release sufficient space to introduce improved services within settlement or to remove households under imminent threat of severe hazards such as flooding).

Where such relocations are necessary, the use of conventional temporary relocation areas (TRAs) and related units should be avoided. Efforts should rather be made to identify sites which may be suitable for permanent settlement in the longer term. Forced removals should be avoided. Relocations should rather be done through consultation and wherever possible on a voluntary basis. Wherever possible the relocation site should be as close as possible to the area from which people are being removed so as to minimise livelihoods disruptions. Given the scarcity of suitable land, consideration may be given to nearby sites which may only be developable within the more flexible incremental development envelope outlined in section 5.2. If temporary unit are provided, they should be suitable for occupation for a period of at least 10 years, and should provide a minimum of 8sqm per person (in line with National Building Regulation).

In the case of the partial relocations required for partial re-blocking to establish a services frame within best-located B1 settlements, the use of improved emergency relocation sites may be appropriate, such as those currently being piloted on Parkington, Havelock and Ezimbelini settlements. Alternative, lower cost housing typology are utilised with shared mini-communal- ablution facilities, electrical connections, footpaths, storm-water controls, solid waste bins and fire hose points. This results in an overall development with a cost far lower than a conventional housing project, but with a product which is of a far higher standard than a conventional TRA and which is suitable for medium to long term habitation. The units are safe, durable, potentially double-story and the relevant SANS code standards. In contrast to historical TRAs, such settlements can be regarded as, or converted, to permanent settlement solutions (once the necessary incremental planning and tenure arrangements are in place).

Further consideration will also be necessary in respect of the possible use of serviced land release for relocations, noting that this has been announced as a priority by the National Minister of Human Settlements. The Municipality will need to consider if and how this could work in the local eThekweni context given the settlement patterns and scarcity of well-located land.

5.8. Land acquisition

As outlined in section 5.2 and , the Municipality must establish a proactive and well-prioritised land acquisition programme for informal settlement upgrading in terms of which it identifies all land

currently occupied and required for settlement (i.e. categories A and B1) as well as any additional land required for decanting whether via formal greenfields housing or serviced land release or TRAs (the latter being regarded as a last resort). This land acquisition programme should run in parallel with incremental upgrading and the provision of essential/basic services. The budget requirements and timeframes for acquisition should be determined. The scale and rate of delivery of the programme will be subject to resource constraints and budget prioritization amongst other factors. It is accepted that the costs associated with such a programme will be substantial and the programme will take many years to complete

5.9. Tenure security

It is accepted that incremental forms of tenure security will be necessary, given the impossibility of providing conventional, formal tenure (i.e. title deeds). The following should therefore apply (as per **Annexure A**):

For all settlements: Tenure security will initially be by means of administrative recognition (non-individual functional tenure) which confers freedom from arbitrary eviction and is related to the categorisation of the settlement. As previously indicated, the categorisation of each settlement will be reflected in the Municipality's SDF. As part of the social process and community engagement, residents of each settlement should be advised of the category of their settlements, the resultant planning trajectory and developmental implications. Where possible, a list of residents linked to structure numbers should also be maintained in order to prevent further expansion of the settlement and manage any future relocation processes (where applicable). This list also affords greater functional tenure security to those residing on the site. It is however recognized that the social conditions in certain settlements may prevent such a list from being drawn up.

For category B1 settlements: Consideration should be given to establishing locally-administered forms of individual, incremental tenure subject to the necessary capacity and systems having been established for local administration. Wherever possible, these should be utilised to leverage and incentivise residents' willingness to invest in and improve their own housing. Once incremental planning arrangements are in place (including IDA1 land use) and there is a GPS point for each structure/households, a municipal certificate of occupation is initially envisaged. This would be non-transferable and non-tradeable. This certificate could be upgraded to a full municipal tenure certificate once land has been acquired and there is a full layout with a demarcated site boundary for each occupied site. This would transferable and trade-able. It could also be potentially upgrade-able to a title deed when and if conventional planning arrangements are in place (full township establishment). Ideally, this upgrade from a municipal certificate of occupation to a tenure certificate should be subject to residents upgrading their shacks to improved housing of one form or another. At a minimum, safer building materials and building methods should be required (e.g. no plastic or cardboard) and there should be adequate space between units. The use of alternative building methods

and housing typologies should be considered and encouraged. In dense, steep settlements the use of the double-story lightweight ‘LIFT’ house typology or variations of it could be considered. The development and implementation of these innovations will be subject to technical solutions, local capacity and funding.

It is noted that there may be potential for the utilisation of such locally-administered forms of individual tenure on formal housing developments (category A settlements) when and if it becomes available in order to reduce the high incidence of un-registered transfers of title deeds and the high cost of transactions through the Deeds Office process.

5.10. Social Facilities

Social services are provided in consultation with the relevant Provincial line departments and authorised/statutory NPO service providers. Key social services for informal settlements include clinics (usually mobile), ECD centres, and access to schools. ECD facilities should receive special priority noting the high prevalence of vulnerable children in informal settlements, the strategic priority of ECD, and the Municipality’s current ECD infrastructure support programme which also assists centres to achieve conditional registration with the DSD. It is noted that the majority of B1 settlements are already located in close proximity to many social amenities such as schools. ECD facilities are particular problem however, hence the City’s establishment of a pilot programme to address this challenge (relating to the survey of ECD centres and provision of infrastructure improvements) and its intention to develop an ECD Strategy which charts a way forward in collaboration with the DSD/DBE and other stakeholders.

5.11. Grant instruments

The Municipality will make use of the following sources of grant funding in order to deliver its incremental upgrading programme and to provide the afore-mentioned basic services:

- *Urban Settlements Development Grant (USDG) for UISP*: The portion of USDG assigned specifically to the UISP is a recent schedule 4 grant first piloted in 2018. Wherever possible this grant should be utilized as the primary grant and first option for the provision of basic services on incremental upgrading projects. It is however accepted that there are still some challenges with this grant (as outlined in section 4) which still need to be addressed. The general USDG (not specifically assigned to the UISP and also a schedule 4 grant) should also be utilized to support incremental upgrading where USDG-UISP is insufficient or where it is too inflexible or insufficient programmatic in its orientation.
- *HSDG UISP Grant*: This is a schedule 5 conditional Human Settlements Grant (HSDG) assigned for informal settlement upgrading. It is best suited to incremental upgrading which is leading rapidly to formalisation (e.g. formal upgrade projects – category A projects) due amongst other things, the small budget allocation for interim services, the

requirement for up-front land acquisition and the expectation of a rapid progress to formalisation e.g. township establishment.

- *Emergency Housing Grant*: This portion of the HSDG may be useful in situations of crisis where emergency relocations are required. It is noted however that, in such cases, the use of Temporary Relocation Areas (TRAs) should be avoided wherever possible, sites suitable for permanent occupation should rather be utilised and emergency top-structures and emergency services provided should thus wherever possible form part of a viable permanent or semi-permanent solution.
- *People's Housing Process (PHP)*: The PHP policy, approach and funding mechanism should be regarded as an important opportunity which should be actively pursued by the Municipality, especially in terms of establishing more functional partnerships with communities and upgrading support organisations and tapping their additional capacity and expertise.

5.12. Project implementation

The project implementation approach and related roles and responsibilities of various Municipal line departments will be informed by the upgrading approach and servicing requirements. In most instances, a high level of co-ordination and co-operation will be required across responsible line departments. The following types of implementation response should be accommodated.

- *Emergency responses*: The relevant line departments will typically take the lead and manage implementation either using existing available resources or else through their own procurement processes (e.g. relocating households out of flood prone areas by EHS or providing emergency sanitation by EWS).
- *Non-integrated service delivery*: There will be cases where, due to the urgent need for certain types of response, certain types of services may need to occur without delay and in advance of others (e.g. provision of emergency water and sanitation solutions). This will most often be the case with B2 settlements, but may also be necessary with some B1 settlements. In this case, the roles of different line departments will be similar to those on conventional housing projects with overall management by EHS. New procurement solutions are required to achieve this.
- *Integrated services delivery*: Integrated services delivery should be the preferred mode of delivery, especially for B1 settlements, in order to optimise outcomes, introduce services inside of settlements and potentially to rework space (partial re-blocking/services frame) in order to establish a more functional long term urban form and provide more permanent solutions.
- *Support for community-driven housing improvements*: Supporting and enabling people to improve their own housing via: incremental planning inclusion and improved tenure;

improved basic services; alternative housing solution designs and pilot units; possible housing support centres.

5.13. Procurement

As indicated in the problem analysis in section 4, new and improved procurement solutions are required in order to unlock more effective city-wide upgrading and to enable improved and more innovative solutions and a more differentiated delivery approach which is more responsive to the actual upgrading requirements at settlement level (i.e. a more bottom up rather than a top down services delivery model). The following actions and refined approaches should therefore be explored and implemented:

- *Integrated design and delivery of incremental services:* The Municipality should put in place procurement arrangements for the integrated design and construction of incremental services, especially for best-located category B1 settlements where the delivery of an integrated ‘services frame’ within the settlements is necessary to improve services access and establish a more functional urban form for the future.
- *Flexible and programmatic procurement orientation:* The Municipality should establish procurement arrangements which, wherever possible, are more programmatic and flexible in their orientation in such areas as: budget adjustments including reallocation of budget between projects or away from non-performing ‘blocked’ projects; interventions which span multiple settlements as opposed to one settlement at a time (e.g. to enable the delivery of sanitation or road and footpath master plans which span multiple settlements in a precinct); allocation of up-front preparation, planning and design funding. The purpose is to enable resources to be made available more rapidly for projects or groups of projects.
- *Civil Society Partnerships:* The Municipality should find procurement solutions which more effectively tap the capacity, expertise and resources of local CSO support organisations and as outlined in more detail in section 5.15. This may include greater use of MOAs with CSOs, People’s Housing Process (PHP), and may require the use of section 67 arrangements and/or a panel of local (or provincial) CSO partners which have the capability to support the Municipality’s incremental upgrading programme. EHS should actively pursue this.

5.14. Data and information management

More effective management of data and information is an important enabling factor. In this regard the Municipality should actively pursue the following, noting that more effective data management for informal settlement upgrading receives particular priority in the adopted Resilience Strategy (**Annexure C**):

- *Informal Settlement Database:* The current Excel-based informal settlement database, which is also used for pipeline prioritisation and planning, still requires further enhancement. In

order to achieve this, improved data sharing between Metro line departments is necessary including in respect of: engineering services delivered; status of services; budget expenditure on services; land legal and servitude information etc. The potential for further optimisation of the Excel database (e.g. via a dedicated software programme linked to online GIS information) should be explored by EHS in consultation with other key line departments and potentially linked to ISIMs (see below).

- *Informal Settlement Information Management System (ISIMs)*: An Informal Settlement Informal Management Solution is currently being scoped and designed, though the support of the United Kingdom Prosperity Fund. The aim of the solution is to provide rules and tools for the collection, management and analysis of informal settlement related data. The solution will facilitate the sharing the information between line departments and provide tools to assist in reporting and data-driven decision making.
- *Community feedback mechanisms*: Any data management system must create mechanisms for the collection and use of community collected data. Some work was done in 2020 piloting the use of a Kobo platform to obtain community-level data and the City also obtains community-level feedback via the Asivikelane initiative.

5.15. Coordination and Partnerships

Effective coordination and partnerships are essential in order to achieve more efficient and scaled-up incremental upgrading of informal settlements. A range of priorities and actions are necessary to achieve this.

1. *Transversal coordination within the Municipality*: This is a key success factor in realising this Policy and has been identified as one of the principle barriers to more effective incremental upgrading. A range of measures and actions need to be taken as outlined in 4.1.
 - a. *Buyin and roles of line departments*: Relevant Deputy City Managers and Heads of Department (HODs) must ensure the implementation of this Policy through effective coordination, communication, information and data sharing, collaborative budgeting, monitoring and reporting. HODs must ensure that all officials within their Departments cooperate in the implementation of this Policy, noting that in some cases, it will require different and new ways of ‘doing business’. They must also ensure that suitably senior and mandated officials attend, input and participate in monthly ISUIF meetings (see below), noting that currently levels of participation, commitment and accountability w.r.t. the ISUIF are inadequate.
 - b. *Informal Settlements Incremental Upgrading Forum (ISIUF)*: This existing Forum should be continued and strengthened in line with its current, adopted Terms of Reference (adopted in November 2019) – refer to **Annexure D**. Functions of the ISIUF (formerly known as the Informal Settlements Upgrading Technical Forum – ISUTF) include to: facilitate and improve the coordination, joint planning and

technical implementation of incremental upgrading in informal settlements; design and structure an informal settlement project ‘pipeline’, for incremental upgrading to enable the necessary budgets to be allocated on a multi-year expenditure (MTEF) framework basis; determine how informal settlements, selected for various programmes such as the UISP are planned for in a coordinated way; identify new interventions and innovative approaches to more effectively and efficiently implement incremental upgrading in informal settlements; enable municipal units and departments to learn from each other to be able to implement best practices; collect and share data and information related to informal settlements between municipal units and departments in forms that are easy to access and use; ensure that data on informal settlements is accessible and in a consistent form; report coherently on the delivery of services to informal settlements and challenges experienced by the relevant municipal units and department.

2. *IGR with other spheres of government:* Communication channels with the Provincial and National spheres of government need to be strengthened in key areas e.g. relating to statutory and regulatory flexibility, refinements to grant instruments to make them more programmatic and locally-responsive, dealing with land invasions, and solving the problem of funding for operating and maintenance of services provided.
3. *Community partnerships:* Functional relationships of trust and mutual understanding with local informal settlement communities are essential. Upgrading initiatives need to be collaboratively planned with communities, also known as ‘community-driven development’. Key principles of community participation include: sharing information, knowledge and understanding; building trust; delivering to promise and realism over what can be achieved (to avoid unmet expectations); sustaining engagement and communication (given that upgrading is a slow process); transparency and mutual accountability.
 - a. *Local Development Committees:* The local development committee or structures within each settlement should be regarded as the primary community-based partner’ in upgrading. Even though other structures such as Ward Committees and Ward Councillors need to be involved and have an important role to play, they should not substitute for or replace the local development committee as the primary point of contact. Strengthening and empowering the local development committee is therefore an important part of the upgrading process.
 - b. *Ward Committees and Ward Councillors:* Ward Committees and Ward Councillors have an important role in upgrading. Their roles include in respect of: coordinating ward-level developments and ward-level guiding priorities; ensuring effective communication between the local community/committee and municipality; helping to resolve any problems/conflicts which might arise ward-level.

c. *Social compacts*: As previously indicated, social compacts are required in terms of UISP policy. They are important in terms of ensuring agreement over upgrading plans and mutual roles and responsibilities. A specimen social compact is appended to **Annexure A**.

4. *Partnerships with support organisations*: Partnerships with upgrading Civil Society Organisations (CSOs) which can support upgrading such as non-governmental organisations (NGOs), social movements and academic institutions need to be enhanced and expanded in order to tap their capacity and expertise and to ensure strengthened relationships with communities. It is recognised that such enabling partnerships are prioritised by the National Department of Human Settlements as reflected in the Partnership Framework Agreement between Civil Society Organisations and the NDHS signed in June 2020 and the related Informal Settlement CSO Engagement Plan currently being drafted and close to finalisation. This Plan supports greater use by municipalities of CSO partnerships, including the provision of funding for such partnerships making use of grant funding sources through such mechanisms as PHP in UISP and/or MOAs and/or use of section 67 of the MFMA. The Municipality should accordingly pursue expanded and enhanced CSO partnerships in cases where there are local support CSOs who have the requisite skills and capacity and which can add value to the Municipality's incremental upgrading programme. This needs to be subject to funding availability, grant instrument conditions and municipal procurement processes. It is also accepted that CSO partnerships may span different areas including the planning and implementation of localised upgrading actions/projects, capacity building and skills transfer, knowledge production and learning, data and information management, and policy support.

5.16. Budget optimisation

The cost of the provision, operating and maintenance (O&M) and recapitalization of incremental services are high, with particular problems relating to O&M which is discussed in more detail in the subsequent section of this Policy.

Accordingly, EHS, working in close collaboration with other line Departments, should develop budget optimization measures which amongst other things address/ensure:

- *An optimal mix of incremental services are provided*: In addition to prioritising specific projects (as per section E), the relative strategic value of certain types of services also needs to be taking into consideration. Within government, there is a tendency for more budget to be spent on those programmes which are easy or faster to deliver and for those which are more complex and which may require more lead-in time, receiving less budget. This may result in non-optimal outcomes. For example, there has been relatively limited expenditure/delivery for roads and footpaths compared to communal ablution facilities (CABs) in eThekweni Municipality, even though roads and footpaths are one of the most strategic and important

types of service in terms of working space and establishing a more sustainable and functional long-term urban form. Grant funding needs to be utilised strategically in order to achieve the maximum long term outcomes.

- *Optimal design concepts and specifications for incremental services:* There may a tendency in some areas to view interim or incremental services as a short term, temporary response, whereas in most cases the settlements they serve are there for the long term (category B1 contain more than 77% of all informal settlements households). For example, in many dense settlements, services such as CABs, have typically been provided around the edges of settlements and often at a high cost. Although it requires more time to achieve and a greater degree of line function Department cooperation, an integrated services frame within settlements, may be a more efficient and sustainable long-term use of resources in terms of establishing a more functional urban form and bringing services closer to households. Appropriate and more flexible norms and standards should be developed for this integrated services frame.
- *Proactive and integrated (rather than reactive) approach to services:* Due to delivery pressures, there is a tendency for services to be provided in a rushed, reactive and non-integrated fashion. This can produce many negative outcomes, including poorly integrated services delivery which is less functional long term as well as increased capital costs. The absence of integrated procurement solutions (refer to section 5.13), weak coordination between municipal line departments (refer to sections 4, 5.15) and pressures to spend budget quickly all contribute to this problem. Efforts must therefore be made to improve forward planning, where appropriate deliver services in a more integrated fashion and improved transversal coordination. Efforts must be made to avoid abortive costs, ‘get it right first time around’, and consider total asset life cycle costs (see below).
- *Asset life-cycle considerations.* Service delivery needs to occur with an understanding of the total life-cycle costs of O&M costs and recapitalisation. Addressing this deficit will require careful budgeting modelling with externalised assumptions and close monitoring going forward with annual updates to the model.

5.17. Operating and maintenance

As indicated above and in section 4, the costs associated with the ongoing operating and maintenance (O&M) of incremental services are high and unsustainable and solutions to this accordingly need to be found. For example, the O&M (and recapitalisation) costs associated with CABs have risen steeply over time.

It is accepted that the urban poor have a constrained ability to pay for services and, even if increased payment for certain services is achieved along with more responsible use of them, there will always be an operating deficit which will need to be funded either from grant funding sources from national government or from the municipality’s own revenue.

In the light of the above, and as part of the budget optimisation measures (strategy) outlined in section 5.16 above, the following actions/measures should be considered:

- *Optimal concept and design of services*: This can impact as much on O&M costs as it does on capital costs in the long term. Services need to be designed in such a fashion to be robust and low maintenance. Services with a temporary orientation (e.g. chemical toilets or roads with a short design life) may be more costly in the long run in terms of O&M, recapitalisation and abortive costs.
- *More responsible use of services by residents*: Strengthen social deliverables and partnership arrangements, including the use of social compacts, which unlock more responsible use of services by residents;
- *Increase level of payment for services by residents*: Seek increased payment for services from informal settlements (to the extent possible within the frameworks of free basic services e.g. paid rather than illegal electrical connections). Stronger social deliverables, partnership arrangements, and use of social compacts can again assist in this regard.
- *Localised, community-based maintenance solutions*: Explore more localized and outcome related O&M solutions/models such as Community-Based Maintenance (CBM) where local residents play an expanded and more efficient O&M role, given that they are can be held more accountable by local residents and especially if the models are more outcome as opposed to time-related. It is suggested that this be explored by means of pilot projects (e.g. by means of the Public Employment Programme (PEP) and/or PHP and/or partnership arrangements with well-capacitated local support CSOs).
- *Evaluation of O&M costs*: Undertake an evaluation of the historical O&M and recapitalisation costs of various types of incremental services historically provided in order to inform improved decision making going forward.
- *Evaluation of O&M personnel efficiency*: As part of the above, evaluate the effectiveness of personnel currently undertaking maintenance functions (e.g. CAB supervisors) in order to improve decision making an potentially revised models / innovation going forward (e.g. CBM).
- *Financing of O&M costs*: Seek increased budget allocation from USDG and/or other grant sources for O&M.

5.18. Future influx and settlement expansion

Proactive measures need to be taken to more effectively manage the challenges of ongoing informal settlement expansion in its various forms including further and uncontrolled densification of existing settlements or fresh land invasions. It is accepted that such expansion may result from organic population growth within settlements, households moving locality within the municipality, or people migrating into the municipality from elsewhere.

To more effectively manage this crucial challenge, the following policy measures should be implemented. A strategy should be developed by EHS in due course taking into account these measures and activities, which projects future impacts and identifies more refined strategies for mitigation or prevention:

- *Densification*: Through improved community engagement/social process, social compact arrangements and improved co-operation with the Land Invasion Unit, reduce further densification of existing settlements and protect adjacent unoccupied land.
- *Vacant land*: Continue to actively protect vacant land parcels in co-operation with communities and landowners. All vacant land must be identified and those at risk identified and monitored. Early warning and fast reaction to any new land invasions must be ensured.
- *Legal barriers*: Engage with the Provincial and National Sphere of government to find ways to overcome some of the legal barriers (arising from legal precedent and court judgements against the Municipality) that make it difficult for the Municipality to remove people from vacant land once it has been invaded (even if the occupation has only just occurred). These may need to be addressed through further policy engagement/intervention at the national level.
- *Serviced land release*: As previously indicated, the municipality should assess the viability of the release of serviced land, in line with recent policy directives from the National Minister of Human Settlements, as a means of ‘getting ahead of the game’. This needs to be subject to further assessments and the establishment of a clear framework for how such a programme would be structured, resourced and managed. Risks to be considered and mitigated include: newly serviced land being prematurely invaded or stimulating increased urban influx; the severe constraint of suitably located land in the Municipality; the high cost of acquiring and servicing land, and the implications of low density development on the urban form.
- *Land acquisition programme*: As outlined in section 5.2 and , the Municipality must establish a proactive and well-prioritised land acquisition programme for informal settlement upgrading along the lines outlined.
- *Population modelling*: An assessment should be done to better understand the nature of migration and movement patterns, the drivers of settlement growth and land invasions, the effects of circular and outward migration in addition to inward or internal migration. The medium to long term implications and impacts at a population level need to be more closely assessed.

5.19. Livelihoods, economy and jobs

eThekwini’s informal settlement upgrading programme supports enhanced livelihoods, economic opportunity and job creation in various ways and is further assisted by a range of complementary support programmes. The following key dimensions are noted:

1. *Positive livelihood impacts of improved basic services*: The provision of improved basic services has substantial positive livelihoods impacts and is thus regarded as the primary and most significant livelihood intervention in and of itself. Positive livelihoods impacts include:

- electricity supply to households providing cleaner and safer energy with significant consequent benefits e.g. reduced risk of fire, cleaner air, enabling children and adults to learn and study more effectively, home business opportunities; improved and safer access via surfaced footpaths and roads; improved access to ablution facilities improving health, cleanliness and safety; improved fire protection (noting that the destruction of shacks and property and personal documentation has significant negative impacts).
2. *Tenure security and asset building*: Tenure security is recognised as having significant household economic and livelihood benefits. 78% of all informal settlement households are categorised B1 (in-situ upgrade) which means that settlements are on sites which are suitable for long-term habitation and households already have functional tenure security by means of administrative recognition. The incremental planning and tenure arrangements outlined in this Strategy will enhance this significantly through establishing incremental development areas and potentially leading to various forms of incremental individual tenure security which can function to more effectively empower and enable households to invest in their own housing and build assets. Functional ownership of land in the hands of individual households is an important enabling factor.
 3. *Favourable locality of informal settlements in the Municipality*: In contrast to informal settlements in many other areas and municipalities, informal settlements in eThekweni are generally all well-located to varying degrees. The eThekweni Municipality is the major economic hub in KwaZulu Natal and is one of the major Metros in South Africa. Regardless of the location of informal settlements in the Municipality, there is generally good access to public transport, social services such as schools, clinics and hospitals and various economic and livelihood opportunities. In addition to 78% of all households residing in category B1 settlements which are suitable for permanent habitation, 31% of all informal settlement households are within the prime investment corridor or urban zone of the municipality and thus have a particularly good spatial positioning.
 4. *Special support programmes*: In addition to the livelihoods impacts relating to the provision of improved basic services, there are a range of complementary support programmes which support livelihoods, economic development and job creation including:
 - a. *Early childhood development (ECD) support programme*: The Municipality has established an ECD support programme and is in the process of finalising an ECD Strategy for the Municipality. The main focus of this Strategy is improved and expanded ECD services to young children in underserved, low income communities, which includes informal settlements. Amongst other things ECD surveys of more than 600 ECD facilities in informal settlement precincts have been undertaken and pilot infrastructure support programmes are underway.
 - b. *Informal Economy Support Programme (IESP)*: The IESP provides structured support to high potential Micro and Informal Enterprises (MIEs) including those operating within informal settlement precincts. To date the IESP has created 816 new permanent jobs within 113 MIEs in two phases since 2015.
 - c. *eThekweni Transit Orientated Development (ETOD) Strategy*: The objective of the ETOD Project is to develop an enhanced institutional and governance co-ordination model for supporting alignment of stakeholder plans working on transit-oriented

development. Transit-Oriented Development (TOD) is seen as an important approach to promote inclusive economic growth, readdress spatial inequality and to produce compact, coordinated and connected cities. The ETOD Project aims to provide a transversal management approach for the planning, implementation and management of TOD for improved corridor efficiencies.

- d. *Resilience Strategy*: This adopted Strategy seeks to “support local communities through investments that reduce high levels of stress and strain currently experienced, thereby contributing to building a stronger and more cohesive city”. There are six identified ‘levers of change’: Strengthen local communities and building greater social cohesion; Improve effectiveness of education and skills development; Promote economic growth in line with 21st century trends and opportunities; Manage environmental assets more effectively; Create a more inclusive and integrated spatial plan; Improve municipal effectiveness. The strategy is anchored around two Resilience Building Options (RBOs): RBO1 ‘Collaborative Informal Settlement Action’; and RBO2 ‘Integrated and innovative planning at the interface between municipal and traditional governance systems’. These two RBOs are seen to be strategic entry points into the complex resilience landscape in Durban, and present an opportunity to test what might be required for the city to act in more systemic ways in addressing critical resilience challenges.
- e. *eThekweni’s Social Development Strategy*: This Strategy aims to create an environment favourable for Social Cohesion and fostering socially equitable environment, taking into account local demographic needs. In light of various changes, the Strategy strategically evaluates programmes, facilities and services so as to continue to meet our future commitments through integration and collaboration. Social Development is understood broadly as the overall improvement and enhancement of the quality of life of all citizens. The Strategy recognises that there is a disparity in social livelihoods and social integration that results in social ills and a lack of social cohesion, respectively. It identifies and promotes six key social pillars: social policing, social health, socio-economic development, sustainable human settlements, social cohesion and social development infrastructure. An ECD Strategy (already mentioned) is specifically identified and prioritised.
- f. *Business Support and Economic Development*: There are a range of initiatives and interventions undertaken by these two Units within the Municipality which are relevant including: business support centres; food gardens; agri-hubs and other small grower support; Fair Food initiative etc.
- g. *Durban Green Corridor*: Green Corridors is a social-purpose and impact-focused organisation that aims to see communities thrive in balance with the habitats around them. Initiatives include community gardens, environmental restoration and clean-ups, ecotourism and waste processing.
- h. *Safer cities programme*: This programme focusses on a range of interventions relevant to the social upliftment of the urban poor including: more effective policing and community safety; better designed and managed public spaces; and stronger community involvement in safety.

In the light of the above, and noting also the massive scale of informal settlements in the Municipality, the provision of a dedicated sustainable-livelihoods plan for each and every informal settlement in the Municipality (as suggested in the current grant framework for the ISIUP/UIISP) is regarded as unviable. Settlement-specific livelihoods plans may be appropriate mitigations for informal settlements in poor locations and with poor access to social facilities and economic opportunity, but this does not apply to the same degree to the informal settlements in the eThekweni Municipality. In addition to the points already noted, it would also be unviable from a resourcing point of view to develop separate livelihoods plans for each and every settlement. A more programmatic and ‘city-wide’ approach to supporting livelihoods, the economy and job creation is more appropriate. It is also important that the provision of basic essential services and functional tenure security not be delayed by the development of settlement-specific plans which would take significant time and resources, not only to develop, but also to implement. The broader challenges of insufficient jobs, slow economic growth and poverty are complex and not easily solved. It is unviable to attempt to plan and resolve these problems at the settlement level as part of the provision of basic services and functional tenure security, noting the need for an at-scale, city-wide approach, and the existence of more than 580 informal settlements in the City.

6. IMPLEMENTATION OF THIS STRATEGY

6.1. Action plan for implementation

1. Incremental planning arrangements:

- a) Draft Incremental Planning Operating Procedures – Complete
- b) Include incremental approach in 2022 SDF – Target June 2022 (in progress for 2022/3 SDF)
- c) Finalise design of incremental & temporary land use arrangements for IDA1, IDA2, TDA – Target December 2022 (pending adoption of Strategy)
- d) Designate / represent informal settlements as per categorisation in 2023 SDF – Target March 2023 (aspects already in progress for 2022/3 SDF)
- e) Pilot IDA2 incremental planning arrangements – Target December 2023

2. Optimised water and sanitation solutions (noting that current CAB approach not sustainable from a capital and O&M point of view):

- a) Establishment of W&S Working Group and 4 x Working Teams – Complete
- b) Bulk services assessment to gauge available capacity, upgrades and limitations w.r.t water borne sanitation – Target July 2022 (professional service provider support may be required)
- c) Comparative evaluation of different W&S options across differentiated upgrading pipeline – Target July 2022 (in progress)
- d) Recommendations to Council for an optimised approach (mix of W&S solutions across differentiated pipeline) – Target August 2022

3. Optimised solid waste management:

- a) Report to Council recommending optimised solid waste collection solution for informal settlements – Target July 2022
- b) Pilot rollout of optimised solid waste solution including solid waste bins inside settlements, local waste collectors – Target August 2022.

4. **Improved O&M solutions:**
 - a) Pilot (e.g. via PEP) improved solutions esp. for W&S, CABs, fire protection & solid waste (e.g. more locally-managed & locally-accountable) - Target August 2022
 - b) Recommendations to Council on optimised O&M solutions for possible up-scaling – Target August 2023 (based on pilot project learning).

5. **Land acquisition and land legal:**
 - a) Implement use of improved notice to private landowners based on legal opinion – Target July 2022.
 - b) Finalise and implement Statutory Servitude for additional protection of municipal services on land not yet acquired – Target December 2022
 - c) Establish a land acquisition programme (parallel programme, subject to resource availability, utilising ISUPG or other funding sources) - Target November 2022
 - d) Allocate MTEF budget and commence with annual prioritised land acquisitions of settlements within incremental upgrading pipeline – Target June 2023.

6. **Alternative forms of individual tenure:**
 - a) Finalise preliminary design of alternative, locally-administered forms of individual tenure e.g. municipal certificate of occupation – Target August 2022
 - b) Undertake pilot projects to test and refine alternative individual tenure solutions – Target July 2022 to December 2023.
 - c) Recommendations to Council regarding possible further rollout and upscaling – Target February 2024.

7. **Assessment of most vulnerable households** (i.e. for urgent mitigation or relocation):
 - a) Delineation of household's subject to most severe flood risk; households residing on hazardous servitudes e.g. fuel lines, close to railway lines; households at greatest fire risk e.g. due to high densities – Target August 2022
 - b) Develop and commence implementation of strategies to mitigate risks or fast-track relocations for households at greatest risk – Target December 2022.

8. **Funding and grant instruments (capital and operational):**
 - a) Quantify capital and operational funding implications for delivery of full, city-wide incremental upgrading programme as informed by preceding activities – Target October 2022.
 - b) Engage with National government regarding funding solutions and grant instrument optimisation - November 2022.
 - c) Assess viability of introducing some level of payment by residents for services, noting link with prior O&M, incremental planning and alternative individual tenure workflows and pilot projects – Target December 2024.

9. **Transversal coordination** (more effective across line departments in respect of planning, budgeting, procurement, implementation, O&M):
 - a) Operationalisation and strengthening of ISIUF with adopted TOR – Complete.
 - b) All line departments to confirm nominations of ISIUF representatives and ensure regular attendance – July 2022 (already partially completed)
 - c) Establish multi-departmental working group to agree optimal roles and responsibilities (including EHS, EWS, CSW, Dev Engineering, Electricity, Dev Planning, Enviro, Legal) – Target July 2022
 - d) Recommendations to Council for optimised roles, responsibilities and coordination arrangements in more effective and better integrated: planning, budgeting, procurement, implementation - Target December 2022.

10. **Capacity** (also refer to procurement solutions below for tapping of private sector capacity):
 - a) Assignment of dedicated working teams in all key line departments to the incremental upgrading programme with relevant KPAs – December 2022.

- b) Recruitment of additional capacity for Human Settlements for overall coordination including possible Programme Manager subject to funding availability – December 2022.
 - c) Develop and initiate strategy to more effectively tap CSO capacity including support NGOs, academic institutions and community-based organisations, potentially using a Community-Development Programme (CDP) model which is to be piloted in 2022/23 - Target December 2022.
11. **Procurement solutions** (which are more agile, integrated, situationally responsive as opposed to on-size fits all, programmatic and efficient):
- a) Establishment of management or framework contract arrangements for design consultants for the integrated design and construction of integrated services (e.g. for services frames for best-located B1s) – Target December 2022
 - b) Assess and identify other procurement solutions as required – Target December 2022.

6.2. Key actions required from line Departments (roles)

- **Human Settlements:** Continue to coordinate the city-wide incremental upgrading programme (in all its facets), convene the ISIUF, maintain IS database, work closely with all relevant line departments, lead and coordinate pipeline planning including prioritisation model for differentiated pipeline.
- **DPEM (Development Planning & Enviro Management):** Finalisation and implementation of incremental planning arrangements in consultation with EHS.
- **Water and Sanitation:** Assistance via participation in WG process in assessing bulks, evaluating and recommending alternative W&S solutions and then implementing an optimised W&S approach.
- **Cleansing and Solid Waste:** Assistance via participation in WG processes in terms of optimised solid waste solutions; pilot implementation of optimised solid waste collection approach, assist in evaluation of it and potential upscaling and rollout.
- **Development Engineering:** Potentially assist HSU with integrated planning and design of integrated services for services frames and relocation sites, subject to budget availability and internal capacity.
- **Legal:** Assist with finalising updated notice to landowners and Statutory Servitude.
- **All service Departments to:**
 - Share data with HSU in real time relating to services provided, budget spent state of repair of services etc. (HSU will maintain Excel database until such time as the Informal Settlement Informal Management Solutions is fully operational).
 - Coordinate and share annual and MTEF budgets and ensure these are in line with the City-wide Strategy and Pipeline Prioritisation.
 - Participate actively and regularly in the ISIUF.
 - Assist in developing service solutions and standards which are viable for incremental upgrading.